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ABSTRACT

This report discusses a variety of legal, fiscal, historical, and theoretical issues related to alternative school finance mechanisms, with emphasis on their possible application in Alabama. The authors do not attempt to suggest specific approaches to school finance reform, but rather to provide information for use in public decision-making. In particular, the report (1) surveys various state school finance programs, emphasizing the different ways of measuring school district wealth and methods of determining local effort, (2) establishes a legal framework for school finance reform in Alabama through a comprehensive review of court cases related to school finance, (3) analyzes recent school finance reform legislation in Florida and Kansas to assess their adaptability for use in Alabama, (4) reports the results of a nationwide survey of how school district wealth was measured and how local effort was computed, and (5) discusses the views of school finance authorities and the implications of court precedents as they relate to the Alabama Minimum Program. (Author/JG)

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A STUDY OF LOCAL ABILITY AND EFFORT AS THEY RELATE TO SCHOOL FINANCE IN ALABAMA

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COMMISSION

EA 008 912

A STUDY OF LOCAL EFFORT AND ABILITY AS THEY RELATE TO SCHOOL FINANCE IN ALABAMA

Prepared for the Alabama Education Study Commission
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by
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PREFACE

The recent interest expressed within the State of Alabama, as in many other states, to provide a more equitable system of school finance has raised the need for appropriate sets of facts which can be used to structure public discussions. This report is an effort to provide selected legal, fiscal, historical and theoretical parameters of various alternative mechanisms. It is not designed to suggest specific approaches to school finance reform, but rather to explore some facts related to litigation and legislation which have defined more clearly education as a state function. The goal is to provide information for public decision-making rather than to determine any particular outcome.

While the provisions for public education within the Alabama Constitution and the fiscal strategy related to those provisions, which are articulated in the Alabama Minimum Program Law, may be unique to our state, the problem of providing a more equitable system of school finance is national. For that reason incorporated into this report is frequent reference to school finance activities which are taking place in other states.

This report is one of many fact finding endeavors engaged in by the College of Education at The University of Alabama with the hope that they will be useful to concerned citizens and government officials alike. The dynamic nature of education within our state—expanding knowledge about how children learn, population growth and geographic shift, the evolution of the current form of educational organization, and how best to meet the growing aspiration level of all of our citizens—requires a continuous re-evaluation of historic patterns of school finance within the state.

How can the state fulfill its responsibility to provide equal access to fiscal resources for education while preserving the individual character and local initiative of the past? Response to this question will require the very best of all of us in pursuit of both the letter and the spirit of the law. We hope that the work at hand makes some contribution toward this goal.

Paul G. Orr, Dean
College of Education
The University of Alabama

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PART I

INTRODUCTION AND OVERVIEW

School Finance Reform: A National Perspective

The status of existing school finance legislation has become a matter of eminent priority for numerous states in recent years. Prompted in part by court decisions, and in part by legislative interest in providing more fiscal equity for students and taxpayers, changes in revenue and expenditure policies for public education have resulted in many states. Essentially, these reforms have been directed toward:

1. Increasing state funding for education
2. Equalizing tax burdens
3. Decreasing reliance on the property tax
4. Providing for the disproportionate number of high-cost students in large urban centers
5. Meeting the educational needs of children who reside in depressed rural areas
6. Enhancing equal educational opportunities for economically and educationally disadvantaged students, and
7. Sustaining local control of public education.

Beginning with the landmark case, *Serrano v. Priest*[1] in 1971 and continuing through more recent rulings such as *Robinson v. Cahill*[2] and *Horton v. Meskill*,[3] courts have insisted that public school finance laws which render the quality of a child's education a function of local wealth are unconstitutionally suspect and vulnerable to judicial challenge. In order to alleviate this form of inequity, state legislatures have:

1. Assumed substantial dollar increases in state school aid by tapping budget surpluses and by raising the rates of traditional state taxes
2. Cut local school tax rates and in some instances have reduced property tax bills substantially
3. Insured a considerably closer fit between the distribution of state school aid and the presence of unusual educational needs and costs, and
4. Imposed systematic controls on the growth of local school budgets either by setting strict limits on local taxes or by establishing ceilings on school expenditures.[4]

These trends in recent state school finance enabling legislation are reflected in Table 1.

State legislators also have been concerned with the growing public aversion to the rapidly rising property tax levies in many localities to meet the increasing cost of education. While it is clear that the property tax is unpopular with the general public, "experts" are by no means united in denouncing it as a means of supporting public education. There is, however, common agreement among legislators, the general public, and "experts" as to the need for improved assessment procedures and property tax administration. Although a vast majority of the states, in December 1975, placed great reliance upon the property tax, the degree of such reliance had decreased substantially. Thus, as indicated in Table 2, the percentage of school support tended to increase at the state level, resulting in property tax relief at the local level. Some reliance on the property tax as a source of public school revenues and as a measure of local ability to support public education is almost universal among the states. The degree to which states have supported public education from property tax revenues is presented as Table 3.

Numerous other adjustments have been made in school finance enabling legislation which reflect the legislative intent of providing greater equity to taxpayers. Generally these adjustments have been designed to:

1. Reduce property tax rates
2. Establish tax and/or expenditure limitations for school districts
3. Earmark revenue sources other than the property tax for the support of public education
4. Take into account the relatively high property tax rates for municipal services other than education
5. Increase recapture possibilities
6. Provide property tax relief for the disabled, the elderly, for tenants and low-income taxpayers through the use of "circuit breakers"
7. Account for property tax exemptions to favored industries, churches and other institutions, and
8. Standardize and professionalize assessment practices within the state

Essentially, recent school finance reform measures have been designed to provide greater equity. Theoretically, equity has been approached from four perspectives: (1) resource equity, (2) local input equity, (3) educational cost equity, and (4) tax equity.

Resource equity has taken into account the relative wealth of local school districts. While traditionally the measure of wealth has been based largely on the total tax base for property taxes, other factors are now being considered. The use of per capita income in the determination of school district wealth is an example of recent resource equity considerations.

Local input equity has related the ability of local citizens to support public education to the efforts required to arrive at a designated per pupil expenditure level. In its most extreme form this equity consideration has included a system of recapture and redistribution at the state level. That is, a wealthy district, generating more than a specified amount per pupil, would return the excess to the state for distribution to lower-wealth districts. This has not meant, however, that per pupil expenditure levels have been determined at the state level. Nor has it meant that expenditure per pupil would be equal among school districts within a state. What has been guaranteed is that equal tax rates would yield equal resources under the state equalization program. The actual level of fiscal input has been left to the discretion of local decision makers. Local input equity adjustments have required the state to provide equivalent educational services for each student, even if doing so necessitates unequal expenditures. Pupil weightings provide an example of input equity considerations.

Educational cost equity is closely akin to the concept "equal educational opportunity." This equity consideration has addressed the physiological, psychological and phenomenological differences among children. Beginning with the basic assumption that many of the differences which detrimentally may affect learning can be overcome through education, each child is provided with an educational program which will assure optimum growth. Thus, an equal opportunity for educational outcomes is provided. Categorical programs for physically and mentally handicapped children are examples of educational cost equity adjustments which have been made in recent years. Compensatory education programs provide yet another example.

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[1] 5 Cal. 3d 584, 487 p. 2d 1241, 96 Cal. Rptr. 601 (1971).

[2] 62 N.J. 473, 303A. 2d 273 (1973).

[3] 31 Conn. Sup. 377, 332A. 2d 813 (Hartford County Superior Court (1974).

[4] John J. Callahan and William H. Wilken (ed), *School Finance Reform: A Legislators' Handbook* (Washington, D.C.: The Legislators' Education Action Project, National Conference of State Legislatures), p. 1.

Tax equity considerations have centered around the range of alternatives available in the provision of needed resources for public education. Essentially, tax equity adjustments have sought to respond to two basic issues: (1) Who should pay for public education?, and (2) How much should each pay? The use of "circuit breakers," reform of assessment practices, and property tax limitations are examples of some recent adjustments in school finance formula which have been based on the tax equity consideration.

The Need for School Finance Reform in Alabama

In *San Antonio Independent School District v. Rodriguez*,[5] a majority of the U.S. Supreme Court ruled that the determination of what is an equitable system of school finance is one which is to be made by state courts and state legislatures. Each state's formula, therefore, should be examined for its own merits and weaknesses. This is particularly true in the State of Alabama because of the uniqueness of its school aid program. For example:

1. The level of state support under the Alabama Minimum Foundation has been high, for many years, ranking eighth (75.0 percent) among states in 1975-76.
2. Reliance on the property tax has been considerably lower in Alabama than in the other states, ranking fiftieth (13.6 percent of total tax revenue) in 1971-72.
3. Property tax burdens always have been theoretically equalized in Alabama. Article XII of the Alabama Constitution, Section 211, states "all taxes on property in this state shall be assessed in exact proportion to the value of such property." Article XII, Section 217, provides that "the property of private corporations, associations, and individuals of this state shall forever be taxed at the same rate."
4. The State of Alabama currently is engaged in an assessment equalization program required by State law. This program will assess property in four different categories.
5. Revenue limits have long been established, as follows:
   A. The county tax contribution for support of the State Foundation program is determined partially by an index of taxpaying ability which distributes the total local effort of 3 mills on the 1938 assessment of property among the counties
   B. County wide property taxes for school purposes are limited to 9 mills on the county assessed valuation
   C. With some exceptions, local district property taxes for schools to supplement the foundation program are limited to 3 mills on the assessed valuation of perperty in the district. Counties must levy at least a 3-mill tax for schools before the local tax can be levied
   D. Tax rate limits for schools apply to levies for both current operating expenses and school facilities
   E. Local bonded indebtedness for schools cannot exceed 80 percent of estimated annual net proceeds of pledged taxes in a given year
   F. Districts under the jurisdiction of county boards of education are restricted by a 12.0-mill statutory limitation on the total educational tax rate.
   G. Act No. 33 of the 1969 Special Session of the Alabama Legislature provided for the inclusion of per capita income as a factor in the computation of local effort, although the Attorney General ruled that this Act "is patently unconstitutional and void in its application."

On the surface it might appear that most of the problems of school finance which have confronted legislators in other states simply do not apply in Alabama. This observation is certainly accurate as it relates to excessive reliance on the property tax. On the other hand, compared to all the state averages, the tax effort on regressive sales taxes in Alabama is high. While the national average for both general and selective sales taxes was 55.5 percent in 1972, these taxes represented 68.9 percent of state taxes in the State of Alabama.[6] It is ironic that the lowest income states, including Alabama, make the greatest use of those taxes which weigh most heavily on the poor. This fact is compounded by other features of the sales tax in Alabama, e.g., the lack of exemptions for food and medicine and the existence of special interest exemptions (amounting to $111,589,720 in 1972-73) such as those for industrial machinery and equipment, and the exemption of services.

Analysis of the Alabama Minimum Program seems to suggest other equity considerations; the following list will provide some examples:

1. Local support for education among Alabama school systems in 1972-73 ranged from 4.3 percent of total revenue in Wilcox County to 35.3 percent in Muscle Shoals.
2. The range in State support as a percentage of total revenues in 1972-73 was from 50.4 percent in Anniston to 79.5 percent in Autauga.
3. In 1972-73, the average national expenditure per pupil was $1,035. In that same year, the average expenditure per pupil in the State of Alabama was $599.
4. Within the State, the expense per child in 1972-73 average daily attendance ranged from $436 in Haleyville to $670 in Sumter County.
5. When Capital Outlay is included, Alabama expended less per capita state and local expenditures for public schools in 1972-73 than any state in the nation. While the national average per capita state and local expenditure was $232.49, the per capita expenditure in Alabama was $136.69.
6. Local taxes levied above the seven mills required for participation in the Alabama Minimum Program in 1972-73 yielded local leeway support ranging from $0.26 per child in Autauga to $662.93 per child in Homewood.

The Objectives of This Report

While an inadequate data base prohibits a school-system-by-school-system analysis, the facts presented above seem to indicate that fiscal disparities do exist in the provision of equity for children and equity for taxpayers in Alabama. Based on the data available, this report will examine some aspects of Alabama school finance and seek to place these into legal perspective. More specifically, this report will:

1. Survey the practices utilized in various state programs of financing education with particular emphasis on the ways of measuring the wealth of a school district (local ability), and the methods used to determine required local effort
2. Establish a legal framework for school finance reform in Alabama through a comprehensive review of court cases related to school finance
3. Analyze recent school finance reform legislation in Florida and Kansas to assess the adaptability of ability-related and effort-related aspects of these enactments for consideration in Alabama
4. Report the results of a nationwide survey to determine how shcool district wealth was measured and how local effort was computed, and
5. Provide some general principles and guides, reflecting the views of school finance authorities as well as court precedents, relating these to the Alabama Minimum Program.

[5]*337 F. Supp. 280 (1973).*

[6]Eva Galambos, *State and Local Taxes in the South* (Atlanta: Southern Regional Council, Inc., 1973), p. 8.

Table 1

School Finance at a Glance

	Equalization Approach[1]		State Aid Program Compensates For								State Mandates Restricting Revenue or Expenditure Increase	Property Assessment Ratios Used to Adjust Valuations for School Funding Purposes	Property Tax Relief: State-Financed Circuit Breaker	Court Cases[2]	Estimated 1975-76 Expenditures Per Pupil in Average Daily Attendance[3]	
	Foundation Program	Guaranteed Tax Base	Grade Level Differences	Exceptional Education	Compensatory Education	Bilingual Education	Geographic Cost Differences	Density/ Sparsity or Small Schools	Declining Enrollment	Capital Outlay and/ or Debt Service						
Alabama	X			X						X		No			$1090	Alabama
Alaska		X		X		X	X	X		X		Yes			2136	Alaska
Arizona	X		X	X		X			X	X	X	Yes	X	X	1415	Arizona
Arkansas		X	X	X				X				Yes	X		881	Arkansas
California	X		X	X	X	X		X	X	X	X	Yes	X	X	1324	California
Colorado		X		X		X		X	X		X	No	X		1422	Colorado
Connecticut		X		X	X					X		Yes	X	X	N/A	Connecticut
Delaware		X	X	X						X		No	X		1606	Delaware
Florida	X		X	X	X		X	X		X	X	No		X	1381	Florida
Georgia	X	X		X				X		X		Yes		X	N/A	Georgia
Hawaii[4]															1545	Hawaii[4]
Idaho	X		X	X				X				Yes	X	X	1112	Idaho
Illinois	X	X	X	X	X	X			X	X	X	Yes	X	X	1452	Illinois
Indiana	X			X	X				X	X	X	Yes	X		1160	Indiana
Iowa	X			X					X		X	No	X		1455	Iowa
Kansas		X		X				X	X		X	Yes	X	X	1468	Kansas
Kentucky	X		X	X					X	X	X	Yes		X	986	Kentucky
Louisiana	X		X	X		X		X				No			1082	Louisiana
Maine	X	X	X	X				X		X	X	Yes	X	X	1197	Maine
Maryland	X			X				X		X		Yes	X		1516	Maryland
Massachusetts		X		X		X				X		Yes			N/A	Massachusetts
Michigan		X		X	X	X						Yes	X		1366	Michigan
Minnesota	X		X	X	X				X		X	Yes	X		1513	Minnesota
Mississippi	X			X						X		No			997	Mississippi
Missouri	X			X	X							Yes	X	X	1186	Missouri
Montana	X	X	X	X				X			X	No		X	1554	Montana
Nebraska	X		X	X	X			X			X	No			1296	Nebraska
Nevada	X	X	X	X				X			X	No	X		1261	Nevada
New Hampshire	X		X	X						X		Yes			1175	New Hampshire
New Jersey		X		X	X	X				X	X	Yes		X	1892	New Jersey
New Mexico	X		X	X		X		X		X		No		X	1261	New Mexico
New York	X		X	X	X	X				X		Yes		X	2179	New York
North Carolina	X		X	X								No			N/A	North Carolina
North Dakota	X		X					X	X	X		Yes	X		1207	North Dakota
Ohio		X		X	X				X			Yes	X		1264	Ohio
Oklahoma	X	X	X	X								No	X	X	1130	Oklahoma
Oregon	X		X	X				X	X			Yes	X	X	1501	Oregon
Pennsylvania		X	X	X	X			X		X		Yes	X		1660	Pennsylvania
Rhode Island		X		X	X	X		X		X		Yes			1481	Rhode Island
South Carolina	X			X						X		No			1030	South Carolina
South Dakota	X		X	X				X				Yes			1094	South Dakota
Tennessee	X			X				X		X		No			969	Tennessee
Texas	X	X	X	X	X	X		X				Yes			1034	Texas
Utah	X			X	X	X		X		X		No			1084	Utah
Vermont		X		X					X			Yes	X		1398	Vermont
Virginia	X			X	X							Yes			1197	Virginia
Washington	X			X	X	X		X		X		Yes	X	X	1443	Washington
West Virginia	X			X						X	X	Yes	X	X	1071	West Virginia
Wisconsin		X		X	X					X	X	Yes	X	X	1618	Wisconsin
Wyoming	X	X		X				X		X		No	X		886	Wyoming

This is a "minichart" version of the *School Finance at a Glance* chart. The original chart was prepared by Marshall Harris of the Education Finance Center, Department of Research and Information Services, Education Commission of the States, using funds provided by the National Institute of Education.

Copies of the original chart, with narrative information instead of the "x's" that appear in the minichart, (2 sheets of 22" x 29") may be obtained for $3.50 (plus $.35 postage and handling per set, prepayment required) from the Publications Assistant, Education Commission of the States, 1860 Lincoln St., Denver, Colo. 80203.

Footnotes

[1] Extent of equalization is not necessarily indicated.
[2] Court cases: state court challenges of school finance programs or some aspect thereof.
[3] Excludes capital outlay, interest on school debt, summer school, community services, adult programs and libraries. Source: Fall 1975, Statistics of Public Elementary and Secondary Day Schools, Advance Report, National Center for Education Statistics, U.S. Department of Health, Education and Welfare.
[4] Full state funding.

TABLE 2

STATE SUPPORT OF PUBLIC SCHOOLS AS A PERCENTAGE OF TOTAL SCHOOL REVENUES 1972-73 and 1975-76

State	Percent State Support 1972-73	Percent State Support 1975-76
Alabama	64	75
Alaska	72	78
Arizona	39	61
Arkansas	48	62
California	37	62
Colorado	28	47
Connecticut	23	28
Delaware	69	76
Florida	54	60
Georgia	53	59
Hawaii	100	100
Idaho	39	76
Illinois	39	52
Indiana	31	55
Iowa	33	48
Kansas	27	40
Kentucky	55	83
Louisiana	56	58
Maine	35	50
Maryland	48	42
Massachusetts	24	28
Michigan	48	51
Minnesota	55	70
Mississippi	49	75
Missouri	35	38
Montana	25	60
Nebraska	17	27
Nevada	42	48
New Hampshire	6	6
New Jersey	27	31
New Mexico	63	87
New York	41	40
North Carolina	64	81
North Dakota	29	67
Ohio	33	46
Oklahoma	47	50
Oregon	20	20
Pennsylvania	48	50
Rhode Island	37	36
South Carolina	55	65
South Dakota	15	18
Tennessee	45	44
Texas	46	51
Utah	53	72
Vermont	33	36
Virginia	40	35
Washington	47	46
West Virginia	56	65
Wisconsin	32	36
Wyoming	31	35

TABLE 3

ESTIMATED LOCAL PROPERTY TAXES FOR SCHOOLS AS A PERCENTAGE OF TOTAL LOCAL PROPERTY TAXES, RANKING BY STATE, 1970

United States	**51.7**
1. Kentucky	74.5
2. Ohio	71.5
3. Minnesota	71.4
4. Wyoming	70.7
5. Indiana	70.5
6. Oregon	68.7
7. Arkansas	67.3
8. Arizona	63.7
9. South Carolina	63.4
10. Washington	63.4
11. Oklahoma	63.1
12. Maryland	63.0
13. Missouri	62.3
14. Michigan	62.0
15. South Dakota	61.5
16. Georgia	61.3
17. West Virginia	60.1
18. Pennsylvania	58.1
19. Colorado	55.7
20. Kansas	55.6
21. New Hampshire	55.4
22. Nebraska	54.9
23. New Jersey	54.8
24. Illinois	53.2
25. Iowa	51.9
26. Idaho	51.7
27. Virginia	51.2
28. Delaware	50.5
29. California	49.8
30. Montana	49.7
31. Wisconsin	49.6
32. Utah	49.5
33. Rhode Island	46.6
34. Texas	46.4
35. Connecticut	44.8
36. New York	44.8
37. Tennessee	44.7
38. Nevada	43.8
39. North Dakota	43.6
40. Florida	42.8
41. New Mexico	40.4
42. Massachusetts	39.0
43. Alabama	38.8
44. Vermont	38.7
45. Maine	38.0
46. Louisiana	37.0
47. Mississippi	33.9
48. North Carolina	26.4
49. Alaska	25.5
50. Hawaii	

Source: Education Commission of the States, "Property Assessment and Exemptions: They Need Reform" *Research Brief No. 3* (Denver: The Commission, 1973), p. 46.

PART 2

CHANGING LEGAL ASPECTS OF SCHOOL FINANCE

The provision of an equitable system of school finance is to be considered primarily the responsibility of state legislatures and state courts. Provided, therefore, in this section are some legal considerations which may assist Alabama lawmakers in reviewing the current Alabama Minimum Program. The ultimate application of these rulings to Alabama must depend largely upon the extent to which they coincide with the State Constitution and relevant statutory enactments as decided by the Alabama Legislature and the Alabama Supreme Court.

Early Litigation

Most of the early court cases related to the financing of public education tended to challenge the constitutionality of state school finance programs only from the perspective of taxation. Among these cases are those which settled the issues of the inherent power in school districts to levy taxes, the validity of certain taxes, and remedies for taxpayers against illegal taxation. Some few cases decided prior to 1968 also addressed the issue of the equitable apportionment of state school funds.

As early as 1874, the Supreme Court of Michigan was petitioned to rule as to the authority under State law for the Kalamazoo School District to levy taxes for a high school.[7] Although the plaintiffs had no objection to a tax levy for common school purposes, they contended that the Kalamazoo District had no power to levy a tax for high schools because no specific law had been passed permitting it to do so. They also claimed that the school district had no legal authority to employ a superintendent of schools. As such, Plaintiff Stuart and two other taxpayers sought relief in the issuance of a restraining order barring the school district from collecting such portion of the school taxes earmarked for the support of a high school in the Village of Kalamazoo and the payment of the salary of the superintendent of schools.

The trial court, not being sufficiently impressed by Plaintiffs' argument, ruled in favor of the defendant Board of Education. This holding was affirmed by the appellate court. The court took notice of Michigan's provision not only for the common schools but also for a state university and considered the enumeration of a provision for the establishment of a high school to be inconsistent. Since the offering of certain curricula, i.e., classical and foreign languages, was also at issue, the court took occasion to resolve that issue. To the argument that these subjects were the accomplishment of the few, and not designed for the many, the court expressed surprise that any one should question the right of the State to bring a liberal education within the grasp of the youth of all classes living within the State. Thirteen years of high school operation in Kalamazoo had preceded this legal challenge. This fact further convinced the court that the school district was justified in making the levy. Moreover, the court stated, the district was within its implied power to appoint a superintendent of schools and to pay him a salary to direct the work of the schools.

The significance of this early case lies largely in its establishment of the implied, as distinguished from the enumerated, power of the state to permit local school boards to establish high schools and to employ a superintendent of schools. The decision in *Stuart* had an immediate and profound effect on the proliferation of secondary education in the United States. Between 1870 and 1890, the number of high schools in this county increased fivefold. High school enrollments doubled successively each decade from 1890 until 1920. The minimum grade-level offering in most states was increased from that of a common school education to a high school education through the states' power to tax its inhabitants to insure this guarantee as set forth in the Kalamazoo case.

It is significant to note that in *Stuart*, and in subsequent decisions, courts have been uniform in holding that school districts are limited to those powers that are expressly or by necessary implication conferred upon them by the state legislature. There is no inherent power in school districts to levy taxes.[8] This holding applies both to kinds of taxes and to tax rates.

The manner in which the power to tax is delegated by the state legislature is also important. An early Pennsylvania case addressed this issue.[9] The legislature of that State passed a statute granting power to levy taxes for educational purposes to an appointed board of education in the School District of Philadelphia. The act was held unconstitutional on the ground that the legislature cannot constitutionally delegate its taxing power to an appointive body, although the delegation of that power to an elective body would have been upheld. Although, if the state legislature sets the tax rate by which the amount is mathematically deduced from the facts and events occurring within the year, there is considered to be no delegation of the taxing power but rather a direct exercise of it.[10]

Due process of law is not violated by a state statute which allows the voters of a larger municipal unit to outvote those in a smaller municipality in regard to a tax measure. This position was held in the Alaska case, *Bailey v. Fairbanks Independent School District*.[11] In an area where school district and municipal boundaries were not coterminous, the validity of a sales tax levied by the Fairbanks School District was challenged. The Alaska statue empowered a school district to levy a tax not exceeding two percent on sales and services within the district subject to approval by fifty-five percent of the voters within the district. The statute also stipulated that no such sales tax could be levied upon sales or services within an incorporated municipality which was part of a school district if the municipality levied a sales tax upon sales and services within the municipality. A tax levy for schools had been approved in the school district which included the City of Fairbanks. Analysis of the election returns revealed that fewer than fifty-five percent of the voters within the school district residing outside the city of Fairbanks had approved the levy. Residents of the City were not subject to the school tax under provisions of the contested statute. The Supreme Court of Alaska found the statute to be constitutional, holding that school taxes are state taxes, even though they are levied by the local school district.

Thus, a school district may be compelled to establish and maintain schools of a given standard and the burden of financing them may be imposed upon the local district without the consent of its inhabitants.[12] A school district may also require the issuance of bonds for the purpose of raising funds for the erection of a school building, even though no consent has been obtained from the voters.[13] Generally, the authority of the legislature to provide for financing the school system is

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[7] *Stuart v. School Dist. No. 1 of the Village of Kalamazoo*, 30 Mich. 69, (1874).

[8] *Marion and McPherson Railway Co. v. Alexander*, 63 Kan. 72, 64). 978 (1901).

[9] *Wilson v. School District of Philadelphia*, 328 Pa. 225, 195 A. 90 (1937). See also, *Lehan v. Board of Education of the City of Chicago*, 31 Ill. 2d 178, 201 N.E. 2d 111 (1964).

[10] *Kee v. Parks*, 153 Tenn. 306, 283 S.W. 751 (1926).

[11] 370 P. 2d 526 (Alas. 1962).

extensive, subject only to constitutional limitations within the state. For this reason courts have been quite reluctant to act in regard to legislatively prescribed methods of taxation for the financing of education. They have steadfastly adhered to the philosophy that an act of the legislature will be rendered invalid only if the act, without a doubt, violates certain prescribed constitutional standards, e.g., unconstitutional classification or the violation of equality and uniformity of taxation.

Courts also have been fairly consistent in sustaining the authority of state legislatures to determine the manner in which school funds will be distributed. This distinction between judicial and legislative prerogative was well articulated in *Sawyer v. Gilmore* as early as 1912. In that case, the court said:

> The method of distributing the proceeds of such a tax rests in the wise discretion and sound judgment of the Legislature. If this discretion is unwisely exercised, the remedy is with the people, and not with the court. . . . We are not to substitute our judgment for that of a coordinate branch of government working within its constitutional limits.
>
> In order that taxation be equal and uniform in the constitutional sense, it is not necessary that the benefits arising therefrom should be enjoyed by all the people in equal degree, nor that each one of the people should participate in each particular benefit.[14]

And in yet another case,[15] the court quoted *Corpus Juris Secundum*, saying:

> In the absence of constitutional regulation the method of apprortioning and distributing a school fund, accruing from taxes or other revenue, rests in the wise discretion of the state legislature, which method, in the absence of abuse of descretion or violation of some constitutional provision, cannot be interfered with by the courts. . . the fact that the fund is distributed unequally among the different districts or political subdivisions does not render it invalid.[16]

One other early case related to the power of state legislatures to distribute school funds seems worthy of note at this juncture. That case sets a limitation on allocation formulae. In *Shepheard v. Godwin*,[17] the issue was the constitutionality of a state system of distributing state funds which reduced appropriations for local districts in proportion to federal funds received by those districts. Pursuant to an act of Congress, "impacted" school areas whose enrollments were significantly increased due to the attendance of children of federal employees but which simultaneously suffered a loss of school tax revenues due to the exemption from property taxes of the United States Government, were provided funds according to a formula. In its formula for assisting local school districts, the State of Virginia deducted from the share otherwise allocable to a district a sum equal to a substantial percentage of any federal "impact" funds received by the district. A three-judge federal district court declared this Virginia statute, as applied, unconstitutional. The allocation formula was held to be violative of the supremacy clause of the United States Constitution. The state plan, ruled the court, violated the purpose of federal legislation. The purpose of the federal legislation was determined to be to aid the local district, not to provide compensation for the state.

State School Aid Distribution Reconsidered

In 1965, Arthur E. Wise, then a graduate student at the University of Chicago, suggested in his dissertation that the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution could be interpreted to require that a child's education and its quality within a state may not vary with geography or because of wealth variations among school districts. In a subsequent publication, *Rich Schools, Poor Schools*,[18] Wise refined this thesis; providing a modern point of departure for those who sought alternative solutions to the methods of funding public schools within the various states. While this thesis had been advanced by writers such as George Counts as early as the 1920s, Wise had been provided relevant precedent in case law. He drew upon the following constitutional doctrines.

1. Education as a right which must be provided to all on equal terms[19]
2. The right to a fair trial unaffected by the economic status of citizens[20]
3. The value of one's vote may not be diluted or debased when compared with the votes of others in the same circumstances[21]

The application, then, of Equal Protection was made to equality of educational offerings as well as to wealth discrimination.

Other scholars of this period expressed concern for inequities which resulted from state school finance enactments. These scholars included: H. Thomas James at Stanford University; J. Alan Thomas at the University of Chicago; Eugene McCloone at the University of Maryland; Charles Benson at the University of California; Stephen K. Bailey, Jesse Burkhead, Alan K. Campbell, Seymore Sacks and Joel S. Berke at Syracuse University. Each of these writers raised the fundamental legal issue:

> Is the state's responsibility to provide a child with an opportunity for equal education successfully discharged where no recognition is given to individual needs and deficiencies?

Early response to the educational need issue was provided in two cases. In the first of these decisions, *McInnis v. Shapiro*,[22] the United States district Court for the Northern District of Illinois ruled that the Illinois State school finance system was not violative of the Equal Protection and Due Process clauses of the United States Constitution. This ruling summarily was affirmed by the U.S. Supreme Court. The court's position in *McInnis* as related to educational need was that there was no "discoverable and manageable standards by which a court can determine when the constitution is satisfied and when it is violated."

A Virginia case, *Burrus v. Wilkerson*,[23] heard less than two months after *McInnis*, seemed to have signaled the coup de grace for the educational need proposition during that period. In *Burruss*, the plaintiff's county of residence and school attendance had higher than average assessed property valuation per pupil but also had a very high incidence of low

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[12] *State v. Freeman*, 61 Kan, 90, 58 p. 959 (1899).

[13] *Revell v. Mayor, etc. of Annapolis*, 81 Md. 1, 31 A. 695 (1895).

[14] 109 Me. 169, 83 A. 673 (1912).

[15] *Hess v. Mullaney*, 15 Alaska 40, 213 F. 2d. 635 (U.S.C.A. 9th Cir. 1954), Cert. Denied *Hess v. Dewey*, 348 U.S. 836, 75 S. Ct. 50 (1954).

[16] 79 C.J.S. 411.

[17] 280 F. Supp. 869 (D.C. Wa. 1968).

[18] Arthur E. Wise, *Rich Schools, Poor Schools* (Chicago: University of Chicago Press, 1969).

[19] *Brown v. Board of Education*, 347 U.S. 483 (1954).

[20] *Griffin v. Illinois*, 351 U.S. 12, 76, S.Ct. 585 (1956).

[21] *Reynolds v. Sims* (84 S. Ct. 1362, 1964).

[22] 293 F. Supp. 327 (N.D. Ill., E.D., Nov. 15, 1968); Affirmed Mem. 89 S. Ct. 1197 (March 24, 1969).

[23] 310 F. Supp. 572 (May 23, 1969) Affirmed Mem. 397 U.S. 44, 90 S. Ct. 812 (1970).

income families. While Bath County ranked fourteenth in the State by property wealth measures, it ranked fifty-fifth among counties in the State when wealth was measured by family income. Since the chief allocation determinant within the State school aid formula was the assessed valuation of property, Bath County consistently received fewer funds per pupil than it needed to provide adequate educational services for the children from low income families. The plaintiffs claimed that the State formula created and perpetuated substantial disparities in educational opportunities throughout the State of Virginia and failed to relate to any of the variety of educational needs presented in the several counties and cities within the State.

The ruling in *Burruss* was that: (1) the system of finance in Virginia was not discriminatory as it operated under a uniform and consistent State plan, and (2) the courts have neither the knowledge, nor the power to tailor the public monies to fit the varying needs of these students throughout the state. "We can only see to it that the outlays on one group are not invidiously greater or less than that of another. No such arbitrariness is manifested here." Thus, the plaintiffs were denied relief under both the 'efficiency' provision of the Virginia Constitution and the equal protection clause of the Fourteenth Amendment to the U.S. Constitution. The United States Supreme Court summarily affirmed this decision.

Other scholars, contemporaries of Arthur Wise, advocated a more moderate approach to equity in school finance enactments. Foremost among these were John E. Coons, William H. Clune III, and Stephen D. Sugarman. These proponents of greater equity in school finance formulae argued that the constitutional infirmity was essentially that of property wealth discrimination. They sought only fiscal neutrality, that is, the distribution of state school funds in a manner that would not make it easier for wealthy communities to provide the better education.[24] Based more heavily on the principles of subsidiarity, the right of individual units to select different levels of educational offerings unimpeded by differences in wealth, this approach departed from the thrust toward meeting the educational needs of children.

Nevertheless, it was the approach of fiscal neutrality that proved successful in the landmark case *Serrano v. Priest*,[25] and seems to characterize school finance litigation up to the United States Supreme Court's decision of *San Antonio Independent School District v. Rodriguez*.[26] In the interim, school finance laws in Texas, Minnesota, Kansas, New Jersey, Arizona, and Michigan were struck down in rapid succession and challenges to similar laws were brought in more than thirty other states. Only courts in New York and Indiana sustained their respective school finance statutes. Most of these challenges were based upon the Federal Constitution, which prompted the United States Supreme Court to assert itself as final arbitrator in *Rodriguez*. Since, however, the California and Texas cases seem to have dominated the judicial history of that period, they are discussed summarily below.

In 1971, the State of California provided over ninety percent of the public school funds from two sources. The first of these was the local district tax on real property. The second was aid received from the State School Fund. The major source of school revenue in California, however, was the local real property tax. Cities and counties through the respective governing bodies were authorized to levy taxes on the real property within a district at a rate necessary to meet the school district's annual education budget. The amount which a district could raise in this manner was largely dependent on its tax base; e.g., the assessed valuation of real property within its borders. Tax bases varied widely throughout the State. In 1969-70 the assessed valuation per unit of average daily attendance of elementary school districts in the State ranged from a low of $103 to a high of $952,156. This was a ratio of nearly 1 to 10,000.

The other factor determining local school revenue was the rate of taxation within the district. Although the legislature had placed ceilings on permissible district tax rates, these were frequently surpassed by tax override elections. The Court noted that nearly all districts had voted to override the statutory limit. Thus, the locally raised funds which constituted the largest portion of school revenue were primarily a function of the value of the realty within a particular school district, coupled with the willingness of the district's residents to tax themselves for education.

Most of the remaining school revenue came from the State School Fund pursuant to the "Foundation Program." The State undertook to supplement local taxes in order to provide a "minimum amount of guaranteed support for all districts." This program ensured that each school district would receive annually from State or local funds, $355 for each elementary pupil and $488 for each high school pupil.

The State contribution was supplied in two principal forms. Basic state aid consisted of a flat grant to each district of $125 per pupil year regardless of the wealth of the district. Equalization aid was distributed in inverse proportion to the wealth of the district.

To compute the amount of equalization aid to which a district was entitled, the State Superintendent of Public Instruction first determined how much local property tax revenue would be generated if the district were to levy a hypothetical tax at a rate of $1.00 on each $100.00 of assessed valuation in elementary school districts. To this figure the superintendent added the $125.00 per pupil basic aid grant. If the sum of these two amounts was less than the foundation program minimum for that district, the State contributed the difference.

An additional state program of "supplemental aid" was available to subsidize particularly poor school districts. Its allocation was in accordance with the following procedure. An elementary district with an assessed valuation of $12,500 or less per pupil could obtain up to $125.00 more for each child if it would set its local tax rate above a certain statutory level. A high school district whose assessed valuation did not exceed $24,500 per pupil was eligible for a supplement of up to $72.00 per child if its local tax was sufficiently high.

Suit was filed in the Superior Court of Los Angeles. This lower court granted the defendant's general demurrer and dismissed the case. The plaintiffs then appealed to the State Supreme Court, which in August 1971, remanded the case to the Superior Court with directions to overrule the defendant's demurrer and try the case on the following facts as alleged.

The plaintiffs and appellants, John Serrano, Jr., and Los Angeles County public school children and their parents, claimed to represent a class consisting of:

> All public school pupils in California except children in that school district... which school district affords the greatest educational opportunity of all school districts within California.

Defendants in the case were Ivy Baker Priest, as State Treasurer, the Superintendent of Public Instruction, State of

[24] John E. Coons, William Clune, and Stephen Sugarman, "Educational Opportunity: A Workable Constitutional Test for State Finance Structures." California Law Review 38, No. 1 (1968):7-22.

[25] 5 Cal. 3d. 584, 487 P. 2d. 1241.

[26] 411 U.S. 1 (1973).

California, Controller of the State of California, State Tax Collector, and the Superintendent of Schools of the County of Los Angeles.

The complaint set forth three causes of action:

1. This alleges that plaintiff children attend public elementary and secondary schools in various school districts of Los Angeles County. The public school system throughout California is financed by a plan which relies heavily upon local property taxes. This causes significant disparities among individual school districts in the amount of revenue available per pupil for the districts' educational programs. Therefore, districts with smaller tax bases are not able to spend as much money per child for education as districts with larger assessed valuations. It is alleged that:

> As a direct result of the financing scheme...substantial disparities in the quality and extent of availability of educational opportunities exist and are perpetuated throughout California...
>
> The educational opportunities made available to children attending public schools in the Districts, including plaintiff children, are substantially inferior to the educational opportunities made available to children attending public schools in many other districts of the State.

The first cause of action concludes with the following statement:

> The financing scheme thus fails to meet the requirements of the Equal Protection Clause of the Fourteenth Amendment of the United States Constitution and the California Constitution.

2. Following incorporation by reference of all the allegations of the first cause, plaintiffs allege that as a direct result of the financing scheme, they are required to pay a higher tax rate than taxpayers in many other school districts in order to obtain for their children the same or lesser educational opportunities afforded children in those other districts.

3. Following incorporation by reference the allegations of the first two causes, the plaintiffs allege that an actual controversy has arisen and now exists between the parties as to the validity and constitutionality of the financing program under the Fourteenth Amendment of the United States Constitution and under the California Constitution.

Plaintiffs, based on the three causes of action, requested that the court issue:

1. A declaration that the present financing system in California (and thus in the districts of Los Angeles County) is unconstitutional;
2. An order directing defendants to reallocate school funds in order to remedy this invalidity; and
3. An adjudication that the trial court retain jurisdiction of the action so that it may restructure the system of defendants and Legislature fail to act within a reasonable time.[27]

The Court, in examining the State contribution composed of "Basic State Aid" and "Equalization Aid," noted that the flat grant contribution of $125.00 which was distributed on a uniform per pupil basis to all districts without regard to the district's wealth, actually widened the gap between the richer and poorer districts.

As amplification of the above conclusions, the California Supreme Court cited figures noting comparisons, as follows:

> In Los Angeles County where plaintiff children attend school, the Baldwin Park Unified School District expended only $577.49 to educate each of its pupils in 1968-69. During the same year the Pasadena Unified School District spent $840.19 on every student; and the Beverly Hills Unified School District paid out $1,231.72 per child.
>
> The source of these disparities is unmistakable; in Baldwin Park the assessed valuation per child totalled only $3,706; in Pasadena, assessed valuation was $13,706; while in Beverly Hills the corresponding figure was $50,885—a ratio of 1 to 4 to 13.
>
> Thus the state grants are inadequate to offset the inequalities inherent in a financing system based on widely varying local tax bases.[28]

In explaining its reasoning for concluding that the basic aid widened the disparities, the Court observed:

> Such aid is distributed on a uniform per pupil basis to all districts, irrespective of a district's wealth. Beverly Hills, as well as Baldwin Park, receives $125.00 from the state for each of its students.
>
> For Baldwin Park the basic grant is essentially meaningless. Under the foundation program the state must make up the difference between $355 per elementary child and $47.91, the amount of revenue which Baldwin Park could raise by levying a tax of $1.00 per $100.00 of assessed valuation. Although under present law that difference is composed partly of basic aid and partly of equalization aid, if the basic aid grant did not exist, the district would still receive the same amount of state aid—all in equalizing funds.
>
> For Beverly Hills, however, the $125.00 flat grant has real financial significance. Since a tax rate of $1.00 per $100.00 there would produce $870.00 per elementary student, Beverly Hills is far too rich to qualify for equalizing aid. Nevertheless, it still receives $125.00 per child from the state, thus enlarging the economic chasm between it and Baldwin Park.[29]

On August 30, 1971, the California Supreme Court issued its decision in *Serrano*. Justice Sullivan, speaking for the court, said:

> We are called upon to determine whether the California public school financing system with its substantial dependence on local property taxes and resultant wide disparities in school revenue, violates the equal protection clause of the Fourteenth Amandment.
>
> We have determined that this funding scheme invidiously discriminates against the poor because it makes the quality of a child's education a function of the wealth of his parents and neighbors. Recognizing as we must that the right to an education in our public schools is a fundamental interest which cannot be conditioned on wealth, we can discern no compelling state purpose necessitating the present method of financing.
>
> We have concluded, therefore, that such a system cannot withstand constitutional challenge and must fall before the Equal Protection Clause.[30]

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[27] *Serrano v. Priest*, 5 Cal. 3d. 584, 487 P. 2d. 1241.
[28] *Serrano v. Priest*, 96 Cal. Rptr. 601, 487 p. 2d. 1241 (1971).
[29] Ibid.
[30] Ibid.

The net effect of the California case of *Serrano* seems to be these:

1. There is no requirement that the school system be uniform as to money spent per pupil; rather the system must be uniform in terms of courses of study offered and educational opportunities made available.
2. The plan of school finance must not discriminate invidiously against the poor.
3. A plan which relies heavily upon local property taxes and causes substantial disparities among school districts in the amount of revenue available per pupil invidiously discriminates against the poor and therefore violates the equal protection clause.
4. Discrimination in legislative classification on the basis of wealth is unconstitutional, regardless of whether it is the result of de facto or unintentional classification.
5. Territorial uniformity in financing schools may be constitutionally required.
6. Courts will look at a state fiscal system as a whole to see how revenues are generated.
7. Fiscal neutrality may be required in the state finance programs.
8. Full state funding is neither prohibited nor required.
9. Local initiative is neither prohibited nor required.
10. Local revenue must be equalized by the state.
11. Variations in expenditures per pupil are specifically permitted.
12. Flat grants are neither prohibited nor required.

Legislative response to *Serrano* in California was provided through the enactment of two laws, SB90 and AB1267, which represented at least some effort to reform the school financing system. Subsequently, the U.S. Supreme Court handed down its decision on *Rodriguez*, which precluded the use of the Fourteenth Amendment for the plaintiff's case. These matters were brought within the scope of a new state court trial, in which the Court held: "Plaintiffs are entitled to a judgment." Judgment was accordingly entered in August, 1974. The State was given six years to comply. Several approaches to be used in rectifying inequities were presented to the court; however, the court indicated no preference. It previously had set the standard of fiscal equity that the State financing system must meet.

San Antonio Independent School District v. Rodriquez

Without a doubt, the most profound school finance litigation of the century was the Texas case *Rodriguez*. Both theoretically, and in terms of its issues, this case was not substantially different from *Serrano*. However, the fact that the law of the land was ultimately proclaimed via the decision rendered by the U.S. Supreme Court in this case tends to render *Rodriguez* utmost in significance.

This suit, attacking the Texas system of financing public education, initially was brought by Mexican-American parents whose children attended the elementary and secondary schools in the Edgewood Independent School District, an urban school district in San Antonio. They filed a class action on behalf of school children throughout the State who were members of minority groups or who were poor and resided in school districts having a low property tax base. Named as defendants were the State Board of Education, the Commissioner of Education, the State Attorney General, and the Bexar County (San Antonio) Board of Trustees. Complaint was filed in the summer of 1968 and a three-judge federal district court was impaneled in January 1969 to entertain issues related to plaintiff's cause of action, as follows

> The Texas system of financing public elementary and secondary education, in which approximately fifty percent of the funds available for education were raised by the local ad valorem property tax, denied them equal protection of the laws as guaranteed by the Fourteenth Amendment because they were residents of a relatively poor district.

The plaintiffs contended that education was a fundamental constitutional interest that could not be infringed by a state wealth classification which was suspect. The federal judges, agreeing, struck down the Texas system of funding schools as violative of the Fourteenth Amendment to the United States Constitution. Thereafter, the State of Texas appealed. The United States Supreme Court heard arguments; and in March 1973, handed down a five to four decision reversing the Texas District Court's decision. More importantly, this decision ended the series of cases that relied upon the Fourteenth Amendment to invalidate school finance laws.

The Court held that:

> 1. This is not a proper case in which to examine a State's laws under standards of strict judicial scrutiny, since that test is reserved for cases involving laws that operate to the disadvantage of suspect classes or interfere with the exercise of fundamental rights and liberties explicitly or implicitly protected by the Constitution...
>
> (a) The Texas system does not disadvantage any suspect class. It has not been shown to discriminate against any definable class of "poor" people or to occasion discriminations depending on the relative wealth of the families in any district. And, insofar as the financing system disadvantages those who, disregarding their individual income characteristics, reside in comparatively poor school districts, the resulting class cannot be said to be suspect...
>
> (b) Nor does the Texas school-financing system impermissibly interfere with the exercise of a "fundamental" right or liberty. Though education is one of the most important services performed by the State, it is not within the limited category of rights recognized by this Court as guaranteed by the Constitution. Even if some identifiable quantum of education is arguably entitled to constitutional protection to make meaningful the exercise of other constitutional rights, here there is no showing that the Texas system fails to provide the basic minimal skills necessary for that purpose...
>
> (c) Moreover, this is an inappropriate case in which to invoke strict scrutiny since it involves the most delicate and difficult questions of local taxation, fiscal planning, educational policy, and federalism, considerations counseling a more restrained form of review...
>
> 2. The Texas system does not violate the Equal Protection Clause of the Fourteenth Amendment. Though concededly imperfect, the system bears a rational relationship to a legitimate state purpose. While assuring basic education for every child in the State, it permits and encourages participation in and significant control of each district's schools at the local level...[11]

[11] *San Antonio Independent School District v. Rodriguez*, 337 F. Supp. 280, reversed.

The majority opinion in *Rodriguez*, however, did not preclude reform of school finance laws by state legislators, nor did it foreclose litigation in state courts under state constitutional provisions. In fact, two weeks after the U.S. Supreme Court ruled, the New Jersey Supreme Court decided unanimously that the system of raising and distributing revenues for the schools in the State was unconstitutional under the New Jersey Constitution.

Robinson v. Cahill

The complaint in *Robinson v. Cahill*[32] was filed in the Superior Court of New Jersey on behalf of students, parents, taxpayers, public officials and public bodies. The unconstitutionality of the State's system of financing public education was alleged in thirteen counts. Essentially, plaintiffs claimed that the equal protection clauses of the United States and New Jersey Constitutions prohibited the State from discriminating in favor of children attending public schools in wealthy school districts by distributing the State's educational resources in proportion to the wealth of the respective school district. Secondly, the complaint in *Robinson* argued that the New Jersey Constitution's mandate of a "thorough and efficient" education required the State to afford each child at least such instruction as is necessary to fit it for the ordinary duties of citizenship, and to provide the minimum education to all children so that they may be able to read, write and function in a political environment. It was alleged by plaintiffs that the State had failed to do so and, as such, was in violation of the Education Clause of the New Jersey Constitution and the Equal Protection Clause of the United States Constitution.

On the other hand, defendants retorted that the New Jersey Statutes represented "a fair, uniform, reasonable, proper and constitutional exercise of legislative authority. Moreover, the defendants claimed any fiscal or other disparities were "innocuous in origin and . . . judicially irremediable by-products of a legitimate effort to provide a thorough and efficient system of free public schools." they claimed that differences in the quality of education provided by districts resulted from a host of factors, both tangible and intangible, and that any adjustments warranted were being dealt with through the legislative and executive branches of government.

The Superior Court of New Jersey was confronted with five essential issues in *Robinson*:

1. Were there in fact substantial disparities in taxable resources and in educational expenditures among New Jersey's school districts
2. Would such disparities affect educational quality
3. Did the "incentive equalization" program enacted by the legislature, effective July 1, 1971, fail to eliminate the disparities
4. Assuming unredressed disparities which would affect educational quality, were there legal theories a state court could bring to bear on the problem, and
5. If each of the above queries evoked an affirmative response, what remedies could the court employ to redress the situation.

The trial court found evidence to support the following allegations:

1. There were widespread disparities among New Jersey's approximately 600 school districts, and a direct relationship between valuations and expenditures per pupil.
2. There was an inverse relationship between expenditures and local tax rates, so that "districts with high valuations spent more money per pupil on education, but had lower tax rates."
3. Differential resources and spending adversely affected the quality of education provided by poorer school districts.
4. The "incentive equalization" legislation enacted failed to equalize inter-district disparities.
5. Legal theories which could be brought to bear in *Robinson* were to be found in the "Thorough and Efficient" provision of the New Jersey Constitution, as interpreted in an earlier case, *Landis v. Ashworth*. That case defined the constitutional mandate to require a system of schools "capable of affording to every child such instruction as is necessary to fit it for the ordinary duties of citizenship." The state, therefore, must "finance a 'thorough and efficient' system of education out of state revenues raised by levies imposed uniformly on taxpayers of the same class."
6. Two broad remedial goals were established: (a) to raise education "to a 'thorough' level in all districts where deficiencies existed," and (b) to equalize "the tax burden in support of these purposes." In pursuit of these goals, the courts required the State to "finance a 'thorough and efficient' system of education out of State revenues raised by levies imposed uniformly on taxpayers of the same class."

The New Jersey Supreme Court granted plaintiff's motion for certification of the State's appeal in *Robinson* shortly after entry of the trial court judgment, and released its opinion two weeks after the United States Supreme Court decided *Rodriguez*. One significant deviation appears to be extremely germane in Chief Justice Weintraub's opinion rendered for the Court. Unlike the trial court the Supreme Court found that the New Jersey statute satisfied the federal Equal Protection Clause and that the case should not have been decided on the basis of the State Equal Protection Clause. Nevertheless, the Court struck down the entire New Jersey statute since it showed "no apparent relation to the mandate for equal educational opportunity" guaranteed in the Education Clause of the New Jersey Constitution.

As a result of the New Jersey Supreme Court's decision in *Robinson*, certain guidelines for legislative and administrative remedies were established for that State.

1. The State must spell out the content of the educational opportunity the Constitution requires.
2. The State must ensure that the required educational opportunity is provided equally to all children in the State.
3. The State must provide a mechanism by which the educational opportunity actually being afforded can be assessed.
4. The State must ensure that appropriate corrective action is taken if it appears that certain school standards are not being met.

While *Robinson* was yet before the New Jersey Supreme Court, state courts in Arizona,[33] and Michigan[34] struck down their school finance statutes as violative of the equal protection guarantees of their state constitutions. Likewise, *Serrano* moved forward on state rather than federal grounds. In fact, as of November 1973, there were approximately fifteen (15) state school finance suits pending in state courts and seven such suits pending in federal courts. When combined with the thirty-seven school finance cases terminated as of that date, some fifty-nine cases concerned with the equitable collection and distribution of school funds had been presented to the courts.

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[33] *Hollins v. Shofstall*, No. C-253652 (Super. Ct. Arix., June 1, 1972) rev'd. Ariz., 515 P. 2d. 590 (1973).

[34] *Milliken v. Green*, 389 Mich. 1, 203 N.W. 2d. 457 (1972), vacated, Mich., N.W. 2d. (1973).

[32] 118 N.J. Super. 223, 287 A. 2d. 187 (Law Div. 1972), Suppl. op., 119 N.J. Super. 40, 289 A. 2d 569 (Law Div. 1972), aff'd., 62 N.J. 473, 303 A. 2d 273 (1973).

In January 1976, only eleven state court actions were pending. Idaho[35] and Washington[36] had sustained their legislation. Cases were yet unresolved in Alaska,[37] Connecticut,[38] Florida,[39] Kansas,[40] Maine,[41] Ohio,[42] Oregon,[43] and New York.[44] New School finance cases had been filed in West Virginia,[45] Georgia,[46] and Missouri.[47] While, in the State of Montana,[48] the court had upheld the right of the legislature to levy a 40 mill property tax and to use the proceeds for any public purpose including the fulfillment of its constitutional duty to fund public education.

School Finance Litigation in Alabama

There were no cases related to the equitable provision of educational opportunity in Alabama under either Article I, Section XIII of the Alabama Constitution (Equal Protection) or under the Fourteenth Amendment of the United States Constitution during this period. A discussion of some earlier cases within the State, however, might provide some insight into the legal precedent which seems to be provided.

As early as 1870, the power of the State to control public funds for education within its boundaries was established. In *Mobile School Commissioners v. Putnam*, it was determined that:

> Though the state be without constitutional power to direct from the purpose of the trust created by it funds intrusted to the Mobile School Commissioners, it may, in its discretion, change the administrators of the funds and the mode of their administration.[49]

Likewise, the authority of county boards of education to apportion county school funds was upheld in *Harman v. Ide*. In that case, the Court ruled as follows:

> 1. Apportionment of county school funds is within the county board of education's discretion.
> 2. Apportionment of equalization fund within the county is within the discretion of county boards of education, even if not within the constitutional provision requiring proportional appropriation.
> 3. The only right of cities, as regards apportionment of equalization funds, is due consideration and appropriate action by said county board of education.[50]

The court's adherence to the benefits principle of taxation related to education in Alabama has been manifested on several occasions. In *Herusters v. Hearin*, this position was made quite clear. Although the court recognized the need to construe as a whole the authorization of county boards of education to borrow money, it was made clear that:

> 1. Just policy demands that taxpayers shall receive tax benefits.
> 2. The general tenor of the School Code is authorization to borrow for current expenses by pledging current revenues.
> 3. County boards of education may not borrow money for teachers' salaries and other current expenses by interest-bearing warrants, or by pledging seven-year tax receipts.[51]

However, it was also made clear that:

> 4. When current revenues are available and sufficient but not presently at hand, a "debit" is not created within the context of the Constitution by anticipating payments through short temporary loans payable during the current year out of current revenues intended for such use.[52]
> 5. Special obligation bonds for construction of facilities which are to be payable solely from revenue derived from the operation of the facility constructed from the proceeds of such bonds, are not "debts" of the governing board, the college, or the state, within meaning of any constitutional or statutory limitations.[53]
> 6. Under statute authorizing issuance of capital outlay warrants for the unexpired period of special county school taxes for the purpose of erecting and repairing and equipping school buildings, warrants can only be issued for the purpose of obtaining funds to be used in the erection or purchase of such buildings or supplies as may be fairly thought to be of sufficient permanence that their usefulness will extend throughout the period in which the taxes will be collected.[54]
> 7. A town may donate, without exacting an obligation to return them, funds to the county board of education for purchase of a lot and construction of a building within the town for use as a part of the county public school system, where the town schools are under the jurisdiction of the county board of education.[55]

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[35] *Thompson v. Engelking*, 537 P. 2d. 635 (Idaho Supreme Court, May 1, 1975).

[36] *Northshore School District v. Kinner*, 530 P. 2d. 178 (Washington Supreme Court 1974).

[37] *Hootch v. Alaska State*—operated School System, 536, P. 2d. 793 (Alaska 1975).

[38] *Horton v. Meskill*, 31 Conn. Sup. 377 A. 2d. 813 (Hartford County Superior Court 1974).

[39] *District School Board of Bay County Florida v. Department of Education.*

[40] *Knowles v. Kansas*, 547 P. 2d., 699 (1975).

[41] *Boothbay v. Longley*, Docket No. 75-918 (Kennebec Superior Court 1975).

[42] *State of Ohio ex rel Akron Education Association, Realtors v. Martin Essex, State Superintendent of Instruction*, Docket No. 75-875 (Ohio Superior Court).

[43] *Alsen v. Oregon*, 554 P. 2d., 139 (1976).

[44] *Board of Education, Levittown v. Nyquist*, Index No. 8208/74 (Nassan County Supreme Court 1974).

[45] *Pauley v. Kelley* (Circuit Court for Kanauha County 1975).

[46] *Thomas v. Stewart*, Docket No. 8275, (Polk County Superior Court 1974).

[47] *Benson v. Missouri*, Docket No. 27911 (Circuit Court Cole County 1975).

[48] State ex rel. *Woodhl v. Straub*, 520 P. 2d., 776 (Montana Supreme Court 1974).

[49] *Mobile School Commissioners v. Putnam*, 44 Ala. 506.

[50] *Harman v. Ide*, 140 So. 418, 224 Ala. 414.

[51] *Farned v. Bolding*, 128 So. 435, 221 Ala. 217.

[52] *Harman v. Alabama College*, 177 So. 747, 235 Ala. 148.

[53] *Keller v. State Board of Education of Alabama*, 183 So. 268, 236 Ala. 400.

[54] *Harris v. Cope*, 183, So. 407, 236 Ala. 415.

[55] *First National Bank of Birmingham v. Walker County Board of Education*, 11 So. 2d. 297, 243 Ala. 576.

The State of Alabama is under no constitutional obligation to provide public schools.[56] However, pursuant to Article I, Section XIII of the Alabama Constitution, all children within the State must be provided equal access to such facilities if they are in fact provided. Therefore, an Equalization Fund was established by the 1927 Regular Session of the Alabama Legislature,[57] and the Minimum Program Fund was approved September 2, 1935. The latter legislative enactment specifically stipulates that its purpose shall be to provide a minimum school term and to equalize educational opprotunity, thus, establishing equalization as a goal for the State. The existence of inequalities in educational opportunities, in wealth, and in tax burden are indicators of the need for reconsideration of equalization within the State.

If, then, wealth-related and/or tax/burden-related disparities exist within the State, it may be said that the goal of equalization which has clearly been the legislative intent in Alabama may be obstructed. Equalization requires the redistribution of wealth among districts to aid in the provision of an established level of education for all children. It can be justified on one or both of two theories. First, that each child is entitled to an educational opportunity as good as that of any other children regardless of the place or circumstances of his birth; and second, that the children in a state should be afforded such educational opportunity as will fit them for citizenship within the state. The responsibility for such equalization rests with the state legislature. It is essential, therefore, that states periodically assess the effectiveness of their equalization programs. This necessity is particularly acute in Alabama, due largely to the fact that its current Minimum Program dates back to 1935.

An assessment of the effectiveness of the Alabama Minimum Program may be approached by entertaining some of the issues raised in litigation presented heretofore within this chapter. While a thorough analysis of all issues is beyond the scope of this study, those issues which seem to relate to the computation of local ability and effort within the Alabama Minimum Program will be considered. First, however, it is essential that an understanding of that equalization approach be obtained. All aspects of the Alabama Minimum Program should be examined for consistency with the following principles:

1. Education is a state function and the financing of education is a state responsibility
2. State school finance plans should not create fiscal imbalances which deny equal educational opportunity
3. The finance plan of every state should become sensitive to the education mandates of the state constitution
4. With the determination of the Supreme Court in *Rodriguez*, the issue of fiscal equity will increasingly center on the education provisions of state constitutions
5. Public funds cannot be used to racially segregate or inhibit desegregation
6. The perpetuation of inadequate school districts, either too small or too poor in local wealth per pupil, is wholly inconsistent with the state's responsibility to provide equal educational opportunity. As the level of government with primary responsibility the state should assure that local school districts have sufficient funds to support an adequate instructional program.
7. In view of the wide variations in revenues per unit of need for education among local districts, the state should assure that each local school district has sufficient funds to support an adequate instructional program. In those situations where consolidation has reached its saturation point and in which sparsity of population still presents inequities in small rural schools, supplements should be provided based on demonstrated pupil needs in such schools.
8. A comprehensive state school support program should provide adequate funding for all of the elements which are required to provide a full range of programs, services, and facilities for pupils. A coordinated program should be provided to assure that each pupil in the state has equal access to a full range of educational programs and services.
10. The state allocation program should provide for categorical-type programs such as transportation and food service as well as compensatory education.
11. States must assume their responsibility to assure that public schools are adequately financed throughout the state.
12. Every effort should be made to coordinate revenue allocation systems and the governance of schools so as to produce high levels of local interest, maximum satisfaction of local needs for education, and equality of educational opportunity.
13. Continued overreliance on locally levied property taxes in conjunction with low levels of state support leads to educational and taxpayer inequities. Education, as government's most important function, should not be so heavily dependent on the weakest revenue base of all, the property tax base.
14. School support programs should be fiscally neutral and should not make the level of education a child receives a function of the wealth of the district in which he lives.
15. The level of the state school support program should be sufficiently high to fund an adequate educational program for all pupils.
16. The aspiration level of the citizens in a local school district should not be the primary determinant of the level of funding. Education is too important a function to leave primarily to the "mood" of taxpayers.
17. The state should assure that the schools are provided with a uniform high level of support based on the educational needs of all children in the state.
18. Opportunities should be provided for limited equalized local initiative to supplement an adequately funded state school support program.
19. Government should seek to correct educational, social, curtural and economic imbalances and inequities in the allocation of funds, and to so allocate funds so as to remove barriers between caste and class and to promote social mobility.[58]

[56]Section 256 of the Alabama Constitution of 1901, as amended.

[57]H.B. 382, H318, Ward of Tuscaloosa.

[58]Kern Alexander, and K. Forbis Jordan, *Financing Public Schools: A Search for Equality* (Bloomington, Indiana: Phi Delta Kappa, 1973), pp. 5-50.

PART 3

THE ALABAMA MINIMUM PROGRAM

Introduction

The Alabama Minimum Program law enacted by the 1935 Session of the Alabama Legislature is much like the equalization approaches employed in many other states. Its goal is the equalization of educational opportunities among school districts within the State by adjusting for variations in local ability, local effort and local need. Alabama's foundation program is based upon what is commonly known as the Strayer-Haig formula. In 1939, the Legislature amended the Alabama Minimum Program Law to provide for the calculation of an average Index of Local Ability to be used in determining the amount of the local contribution to be required of each county in support of the Minimum Program as calculated for that county. At the same time, the Legislature "froze" the base on which the local effort chargeback was to be calculated. This base was fixed as the total assessed valuation of the State of Alabama on which taxes were due and collectable on October 1, 1938. No important substantive changes have been made in the State's Minimum Program since that time.

The Alabama Special Education Trust Fund provides the major appropriation source for the Minimum Program. Many changes have been made in the contributants to that fund over the years. Its inception, in 1927, was based on the inequalities of educational opportunities which existed at that time. It was the existence of these inequities that motivated Dr. John W. Abercrombie, State Superintendent of Education to provide outstanding leadership toward maximum efforts for education in Alabama. He urged the Legislature to enact a law providing for the financial equalization of educational opportunity within the State. He laid the foundation for his successor, Robert E. Tidwell, to secure the enactment of such law. Dr. Tidwell was able to secure passage of the Equalization Law of 1927. This was the first effort made in Alabama to equalize educational opportunity among the several counties. The Alabama Special Educational Trust Fund was established that same year with certain taxes earmarked for education and state revenues were increased by approximately four million dollars. The Trust Fund from the first has supported all facets and levels of education in the State. The first taxes earmarked to accrue to the Trust Fund were: Express Companies, Hydro-Electric Companies, Railroad Companies, Telephone Companies, Pullman Companies, Orio Ore, Coal Tonnage, Tobacco, Slag, Minerals and Mineral Products.

Public education was greatly advanced in Alabama during the 1927-31 quadrennium largely as a result of increased State support gained from the revenue accruing from the earmarked taxes. The disaster of the depression hit with full force in the 1931-35 quadrennium. The Trust Fund was not able to provide the financial support needed for education during this time.

However, in 1935, Governor Graves again put his support behind education and great strides were made. The Minimum Program Law was enacted—another step toward equalization. At the same time a store license tax was levied and earmarked for the Trust Fund. Since that time the following taxes have been added: Sales Tax in 1937; Income Tax in 1947;[59] additional Tobacco Tax in 1959; Utilities Tax in 1969; and Insurance Companies Tax in 1969. In addition, a Beer Tax was levied in 1963 for support of the State trade schools and junior colleges and is paid into the Trust Fund. The Rental and Leasing Tax was levied to accrue to the Trust Fund and to finance medical education and mental health bonds in 1971. In 1971, fifty-eight percent of net receipts of tax on Hydroelectric companies, Railroads, Telephone, Express Companies, and Pullman Companies, was earmarked for mental health, the balance was earmarked to the Trust Fund. The sales tax and the income tax, however, account for eighty percent of the total funds which flow into the Special Education Trust Fund.

Today the Alabama Special Educational Trust Fund is still the principal source of all education funding, providing approximately ninety-five percent of total State revenues for education. The Minimum Program receives its major appropriations from the Trust Fund.

The legislature allots money from the Special Education Trust Fund to the different school systems on a ratio of 28 students to 1 teacher (teacher unit) based on Average Daily Attendance (ADA). In 1975-76, three hundred additional teacher units were allotted by the Legislature for grades one through three. It was the intent of the Legislature to reduce class size in grades one through three. The Alabama Education Study Commission and the State Department of Education were vested with the authority to insure that the intent of the Legislature is implemented. Any teacher units allocated pursuant to this enactment are to be used in grades four through six, but only if the pupil-teacher ratio of 25:1 has been achieved for the primary grades.

Another source from which funds for public education are derived in Alabama is the Public School Fund. As provided in the Constitution of 1901:

> The Public School Fund shall be apportioned to the several counties in proportion to the number of school children of school age there. . .[60]

Relative to the source of revenue for the Public School Fund; Article XIV, Section 260 states, in part, that:

> Together with a special annual tax of thirty cents on each one hundred dollars of taxable property in this State, which the Legislature shall levy, shall be applied to the support and maintenance of the public schools, and it shall be the duty of the Legislature to increase the Public School Fund (sic) from time to time. . .[61]

Amendments to Sections of Article XIV, including 256 through 260 were effected in 1956. But these did not affect the three mill state property tax mandate.[62] The Public School Fund is a constitutional fund and must be disbursed on a per capita basis. The School Census is used in calculating the amount to be received by each school district.

The relatively small amount of the total school funds supplied by the Public School Fund is reflected in an examination of yearly appropriation. For example, in 1974-75, the total state school funds amounted to $332,569,348.00. Of this amount, only $16,210,000.00 (4.9 per cent) came from the Public School Fund.[63]

The following procedure is used to calculate a county's share of the Public School Fund. Using School Census data, assume that County X has 5,000 children, ages five years through twenty years, as determined by the School Census and also assume that the Public School Fund allocation per census child is $10.00. County X would then receive $50,000 from the Public School Fund.

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[59]Constitutional Amendment No. 61, ratified September, 1947.

[60]Alabama Education Study Commission, *Report of Task Force II: Financing Education in Alabama* (Montgomery, Alabama, 1968), p. 2.

[61]Ibid.

[62]Ibid.

[63]Statistics from State Department of Education: Division of Administration and Finance, September, 1975.

Under the Special Education Trust Fund earmarked taxes are used for the State support of education in Alabama. Regardless of how much money the taxes earmarked for the schools produce, there must be an Act by the Legislature appropriating these funds and authorizing their use.

Prior to consideration of the appropriation measure, the Legislature receives estimates of the revenue that should be available from taxes for the annual period for which the appropriation is to be made. If a conservative estimate is made, appropriations will be less than the revenue and a surplus will result. Regardless of the amount of this surplus, no part of it may be used until it is appropriated by legislative enactment.

In order to participate in the Alabama Minimum Program, local districts must contribute a share of the total local effort requirement for the state as determined by the Index of Local Ability. It is estimated that 62 percent of the local share is derived from the property tax. Significantly, however, since this amount was froze at the total assessed valuation of Alabama on October 1, 1938, and the valuation on that date was $935,297,005, all of the school districts within the State would share in producing revenues amounting to one half of one percent of that amount, or $4,676,485 from all local sources. Consequently, there is less than a Three Million Dollar reliance ($2,988,420) on the local property tax for the support of education within the State of Alabama. Most of the remaining 38 percent of statewide local effort required for participation in the Alabama Minimum Program is derived from countywide sales and gasoline taxes. A minimum of seven mills of tax at the local level is required, and a maximum millage rate of twelve mills has been established.

Under this Strayer-Haig equalization scheme, in 1975-76, approximately 75 percent of the non-Federal revenue for elementary and secondary schools was provided by the State with the remaining 25 percent being derived from local sources. Only five states within the United States contributed a greater share of state and local school funds in that year. It is this positive feature within the Alabama Minimum Program that led the National Educational Finance program to score the State 6.220 on its equalization scale. With a range in scores from 8.400 to 2.295, this indicated that generally the equalizing effects of the Minimum Program was high. It might be helpful, therefore, to examine the effects of the Alabama Minimum Program within the context of legislative intent, viz., to equalize educational opportunities among school districts within the State by adjusting for variations in local ability, local effort, and local need.

Such a perspective becomes even more important when we realize that only 41.3 percent of Alabama residents age twenty-five and older had completed four years of high school in 1970, ranking it fourty-fourth in the nation. Only 7.8 percent of that age group had completed four years of college. In 1972, approximately 31.8 percent of Alabama draftees failed mental requirements for military service, ranking third highest in the nation. Moreover, average personal per capita income in Alabama in 1972 was $3,420, with an average household effective buying power of $6,630, which ranked it fourty-ninth in the nation on both measures. At the same time, Alabama's public school revenues per pupil in average daily attendance was lowest in the nation, ($679) or 4.2 percent of personal income. Also in that year, the per capita State and local expenditures ($131.45), estimated expenditures per ADA ($599), and percent of current expenditures per ADA of the national average (57.9) were all ranked lowest in the United States. Such statistics might well suggest a need to explore certain issues: (1) What is being equalized? and (2) How might resources be utilized more effectively toward the provision of an education for Alabama children which will better equip them to function as productive citizens of the State?

The National Educational Finance Project equalization score was not designed to give a "clean bill of health" to school finance schemes. Rather, it deemed to indicate the degree to which whatever is being equalized is achieving the goal of equal distribution. That goal in Alabama may be viewed within the context of ability, effort, and need. For all practical purposes, these three goals may be translated to the equity criteria of: (1) resource equity, (2) local input equity, (3) instructional cost equity, and (4) tax equity.

Resource Equity in the Alabama Minimum Program

Resource equity is measured by the relative wealth of school districts or ability. For all practical purposes, this means the relative property value per pupil—the total tax base for property taxes divided by the number of pupils in average daily attendance (ADA).

Resource equity, or local ability, is implied in the assumption made in the Alabama Minimum Program Law that there is a certain amount of wealth within the State which must be redistributed. One measure of the total wealth within the State is the Assessed Valuation Index. This index indicates the percentage of the assessed valuation of the entire State to be found in each county. This value is ascertained by simply dividing the assessed valuation of each county by the assessed valuation of the total State.

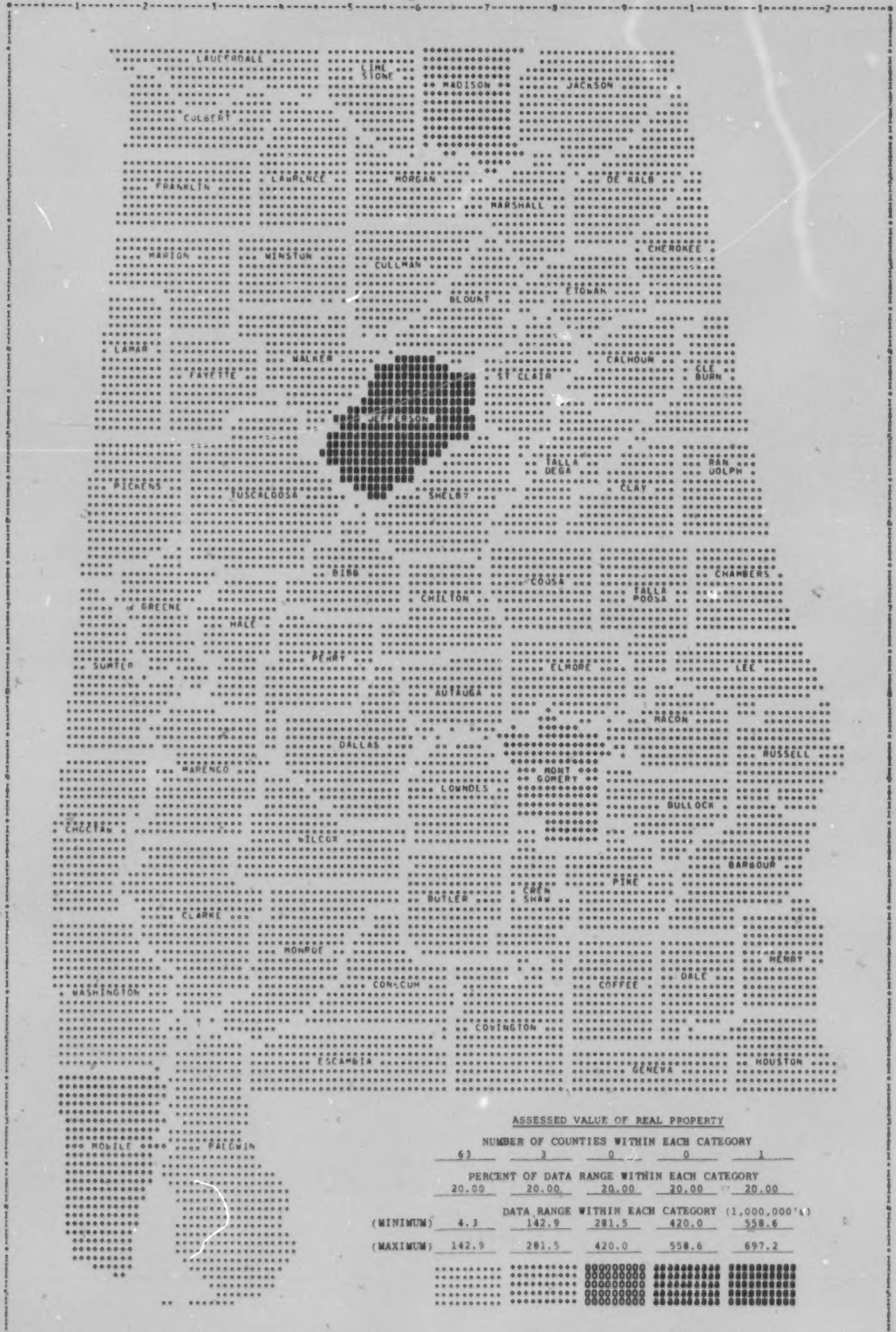
The assessed value of property in 1972-73 was $2,665,029,000. However, that real property is not evenly distributed among the sixty-seven counties within the State. As indicated in Figure 1, there was a wide range in the distribution of real property in Alabama. Jefferson County had an assessed value of $697,212,000 while Cleburne County's assessed value was $4,369,000. Within this range, there were sixty-three counties with an assessed value of less than $142,900,000, and sixty-six counties with a value of less than $281,500,000.

On a per capita basis, some change was detected in the distribution of real property assessed values. A more even distribution resulted. The range was from $361 in Randolph County to $1,078 in Jefferson County. That distribution pattern is shown in Figure 2.

Since the Minimum Program is designed to equalize fiscal resources for the education of children within the State, it might be helpful to view these data in relation to the pupil population within the State. Obviously, the wide range of distribution remained, although not quite as severe. Also, in such an analysis the position of counties tended to shift within the range due to variance in student population. On a per student basis, Jefferson County maintained its position at the upper end of the scale with real property wealth assessed at $4,995 per student. At the bottom of the scale Hale County had only $1,326 per student. (The assessed value of real property and other variables discussed appear as Appendix "B" in this report.) The distribution of per student assessed value of real property is shown in Figure 3.

If property were assessed at a uniform rate throughout the State, the computation of the assessed valuation index would conclude the measure of wealth or local ability within the Minimum Program. This, however, is not the case. The original purpose of the economic index was to correct for the variations in the percent of true value at which property was assessed throughout the State. It was not designed to measure the economic condition of the various counties.[65] Nevertheless, the Legislature determined that these factors would be used as indicators of the economic "health" of counties. The amount of sales tax collected, for example, was considered an indicator of business conditions within a county. The economic index for

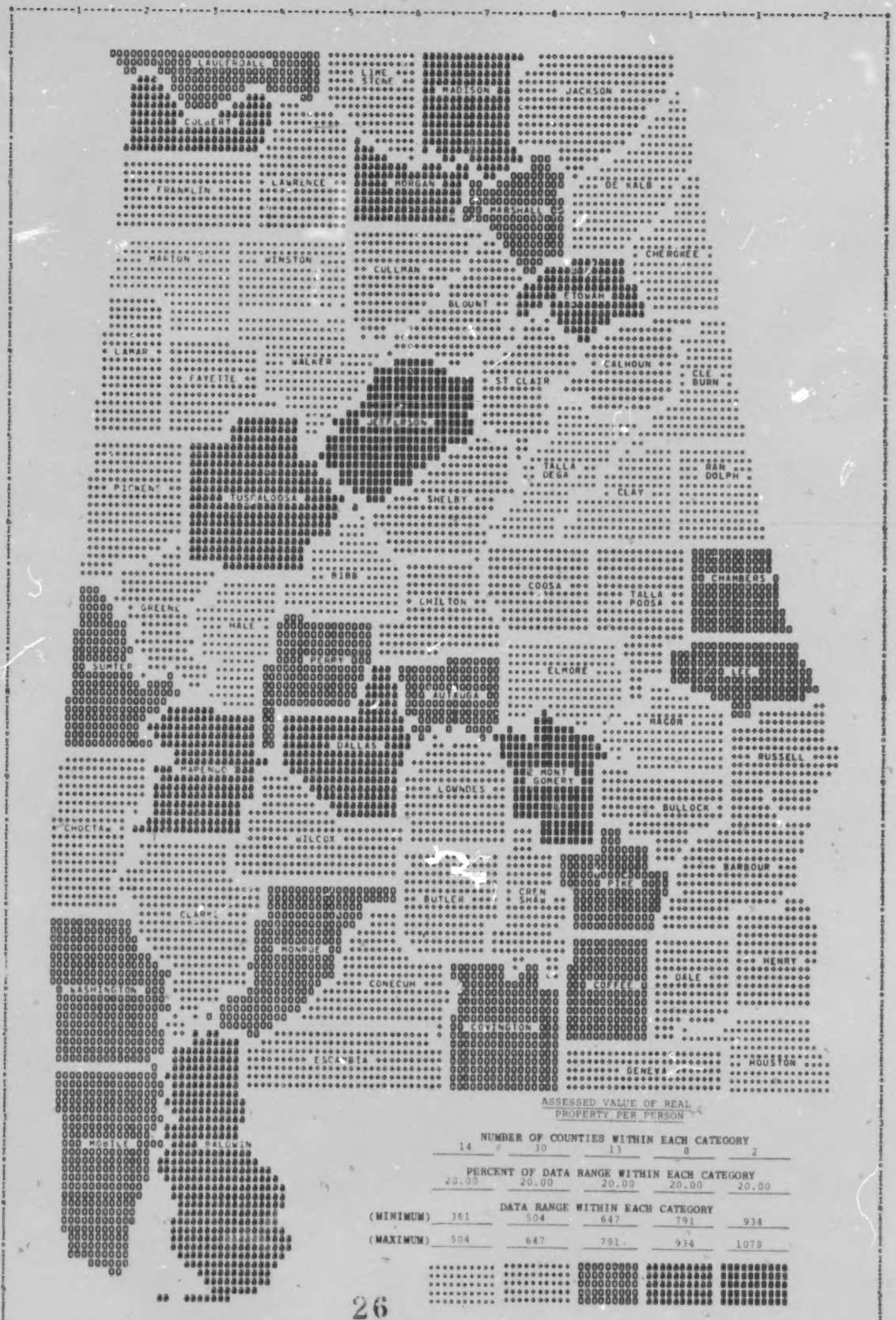
Figure 1


ASSESSED VALUE OF REAL PROPERTY
NUMBER OF COUNTIES WITHIN EACH CATEGORY
63 3 0 0 1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY
20.00 20.00 20.00 20.00 20.00
DATA RANGE WITHIN EACH CATEGORY (1,000,000'S)
(MINIMUM) 4.3 142.9 281.5 420.0 558.6
(MAXIMUM) 142.9 281.5 420.0 558.6 697.2

ASSESSED VALUE OF ALABAMA REAL PROPERTY — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 2



ASSESSED VALUE OF REAL PROPERTY PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	14	30	13	8	2
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	361	504	647	791	934
(MAXIMUM)	504	647	791	934	1078

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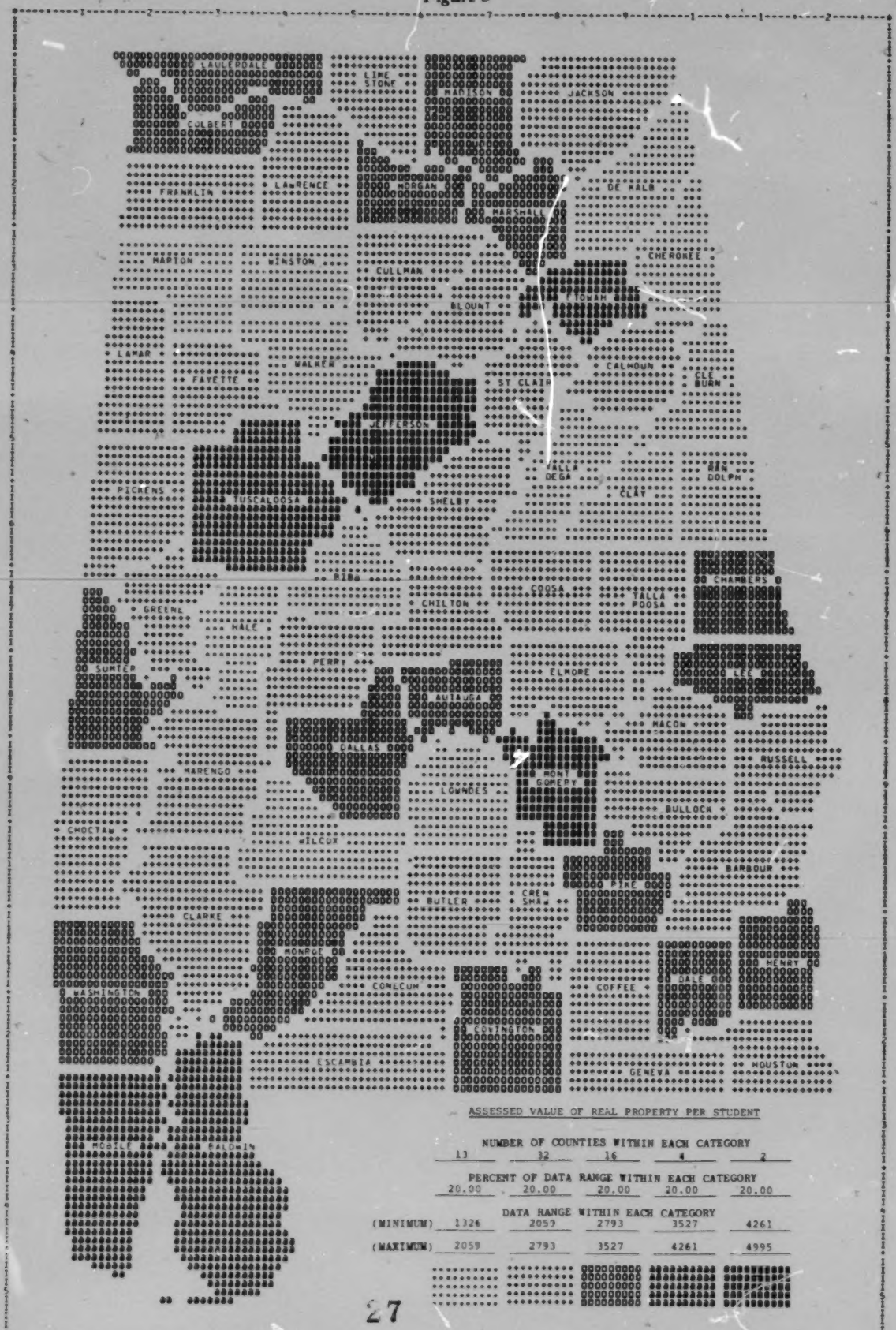
ASSESSED VALUE OF ALABAMA REAL PROPERTY PER PERSON — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 3



ASSESSED VALUE OF REAL PROPERTY PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY	13	32	16	4	2
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY					
(MINIMUM)	1326	2059	2793	3527	4261
(MAXIMUM)	2059	2793	3527	4261	4995

27

ASSESSED VALUE OF ALABAMA REAL PROPERTY PER STUDENT — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Alabama counties was, therefore, included as a measure of wealth for use in the Alabama Minimum Program. This index contains six factors. As illustrated below, each factor is assigned a weighting.

Sales Tax	x 6
Automobile Licenses	x 5
Assessed Valuation of Public Utilities	x 3
Personal State Income Tax	x 1
Value Added by Manufacturing	x 1
Value of Farm Products	x 1

These six factors are combined into one measure. That is, the value of the combined six variables equals one hundred percent. Using the method of least squares, the degree to which each variable contributed to the whole was determined. Percentages derived were:

Sales Tax	35 percent
Automobile Licenses	29 percent
Assessed Valuation of Public Utilities	18 percent
Personal State Income Tax	6 percent
Value Added by Manufacturing	6 percent
Value of Farm Products	6 percent
Total Value	100 percent

This yields a single Economic Index of which the sales tax makesup thirty-five percent, automobile licenses twenty-nine percent, and so on. Converting these percentages to simple fractions results in the respective weightings. For example, 35/100 = 6/17; 29/100 = 5/17; 18/100-3/17, etc., reflect these weightings, after "rounding off."

Application of this Index of Economic Ability follows the procedure used for the Assessed Valuation Index. The percentage of the State total for each of the six variables is found by dividing the County total by the State total.

Assume that of the total sales tax paid in the entire state, a given county pays 0.95 percent, of all automobile licenses sold, 1.30 percent; of total assessed valuation of public utilities in the State, 0.80 percent; of total personal income tax paid in the State, 0.75 percent; of total value added by manufacturing in the State, 0.60 percent; and of total farm income in the entire State, 1.50 percent. Using the variable, percent of State total, and the weighting factor, the percentage of the total wealth possessed in that County may be computed. Table 4, below, illustrates this calculation.

As illustrated in Table 5, the sum of the six variables is divided by the sum of the weightings to determine the Index of Economic Ability. The 1.02647 means that of the total wealth in Alabama as measured by these six variables, the County indicated possesses 1.02647 percent.

To determine what percentage of the entire wealth of the State of Alabama is possessed by each County, an additional calculation is necessary. This involves averaging totals of the assessed valuation and the Economic Index. If the assessed valuation of a given County was, according to the Assessed Valuation Index, 1.00000 percent, the Index of Economic Ability relative to that County was calculated as 1.02647. Addition of these two indices gives a total of 2.02647. Thus the average is 1.01324. Therefore, of the entire wealth of Alabama, the County indicated has 1.01324 percent.[66]

As real property is unevenly distributed among the sixty-seven counties in Alabama, so is the distribution of each of the factors included in the Index of Economic Ability. The range in sales tax in 1973 was from $215,000 in Coosa County to $58,885,000 in Jefferson County. The range in the value of auto licenses was from $49,000 to $4,576,000 in Jefferson County. The range in the assessed value of public utility property was from $1,584,000 in Crenshaw County to $147,674,000 in Jefferson County. State Personal Income Tax ranged from $130,000 in Greene County to $24,733,000 in Jefferson County. Value added by manufacturing ranged from $2,200,000 in Macon County to $852,800,000 in Jefferson County. The value of farm income ranged from $1,690,000 in Bibb County to $80,620,000 in Cullman County. Although, Jefferson County ranked thirty-ninth among the sixty-seven counties even on this variable.

The computation of the Alabama Minimum Program is by county only. No consideration is given to the sixty (60) city school systems. Therefore, the data presented above are consistent with the Minimum Program computation. Because Jefferson County tends to exceed all other counties to such an impressive degree on each variable, it might be helpful to view these data from a per capita and a per student perspective.

When viewed from a per capita perspective the relative positions of these counties tended to change, as illustrated in

[66]Conference with Dr. Roe L. Johns, designer of the "economic index" on January 29, 1976 at the Institute for School Finance Gainesville, Florida.

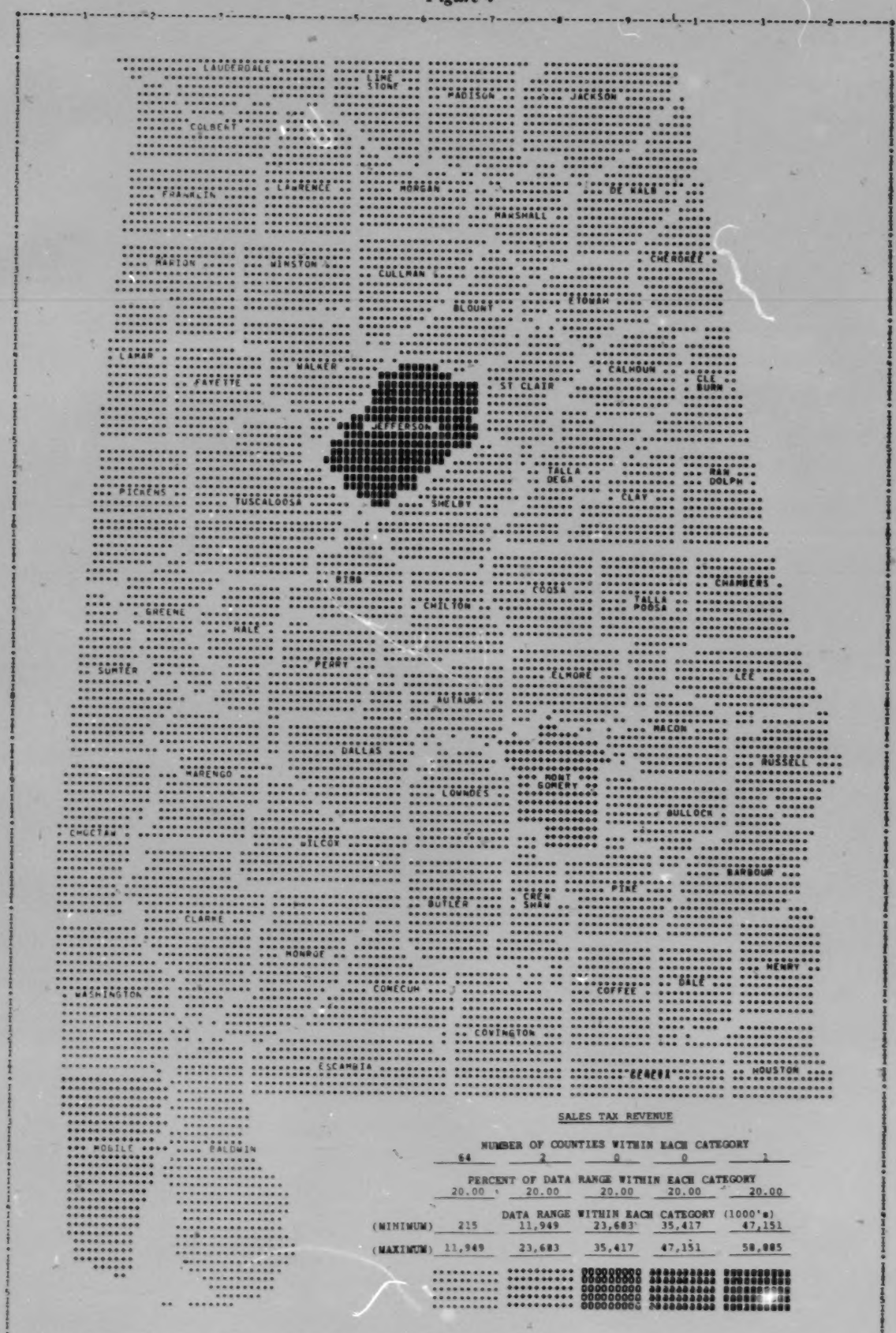
TABLE 4

CALCULATION OF THE ECONOMIC INDEX

Variable or Measure	Percent of State Total	Weighting	Totals
Sales Tax	0.95	6	5.70
Auto License	1.30	5	6.50
Assessed Valuation Public Utilities	0.80	3	2.40
Personal Income Tax	0.75	1	.75
Value Added by Manufacturer	0.60	1	.60
Value of Farm Income	1.50	1	1.50
Total		17	17.45
Economic Index (19.45 ÷ 17) = 1.02647			

*The total is derived simply by multiplying the figures in column two, times the weights given in column three.

Figure 4



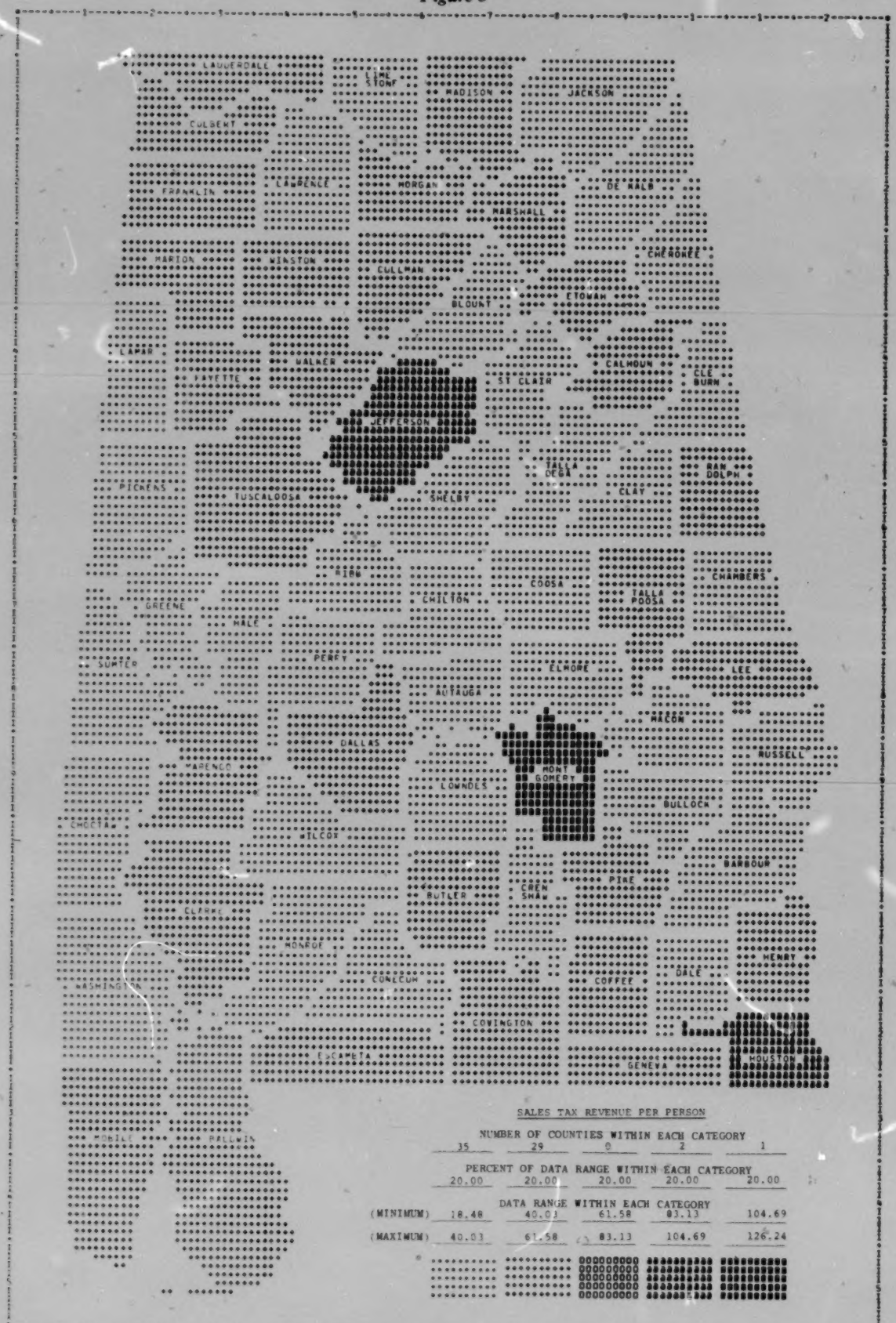
SALES TAX REVENUE

NUMBER OF COUNTIES WITHIN EACH CATEGORY	64	2	0	0	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (1000's)					
(MINIMUM)	215	11,949	23,683	35,417	47,151
(MAXIMUM)	11,949	23,683	35,417	47,151	58,885

RETAIL SALES IN ALABAMA — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 5



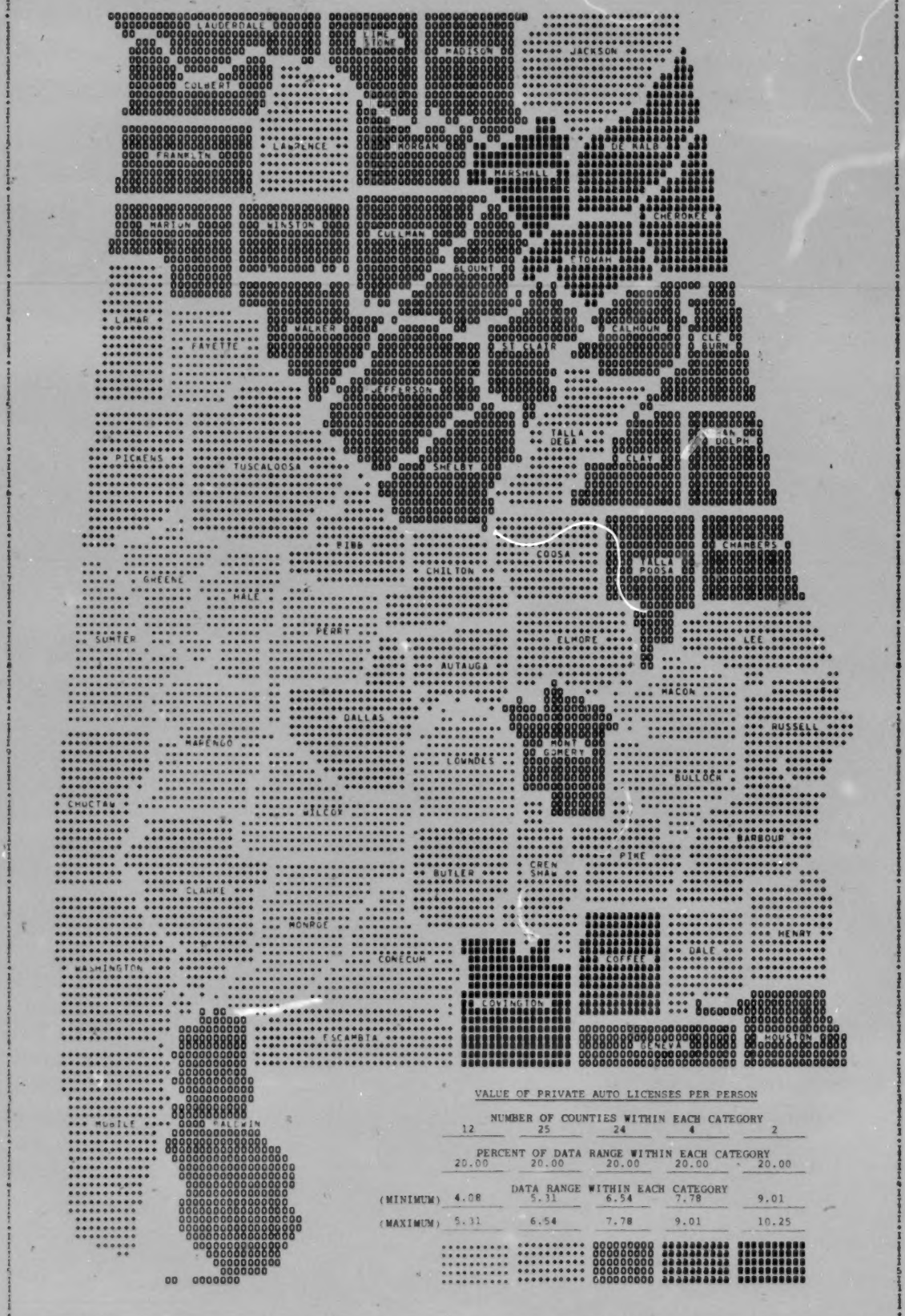
SALES TAX REVENUE PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	35	29	6	2	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	18.48	40.03	61.58	83.13	104.69
(MAXIMUM)	40.03	61.58	83.13	104.69	126.24

RETAIL SALES IN ALABAMA PER PERSON — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 6



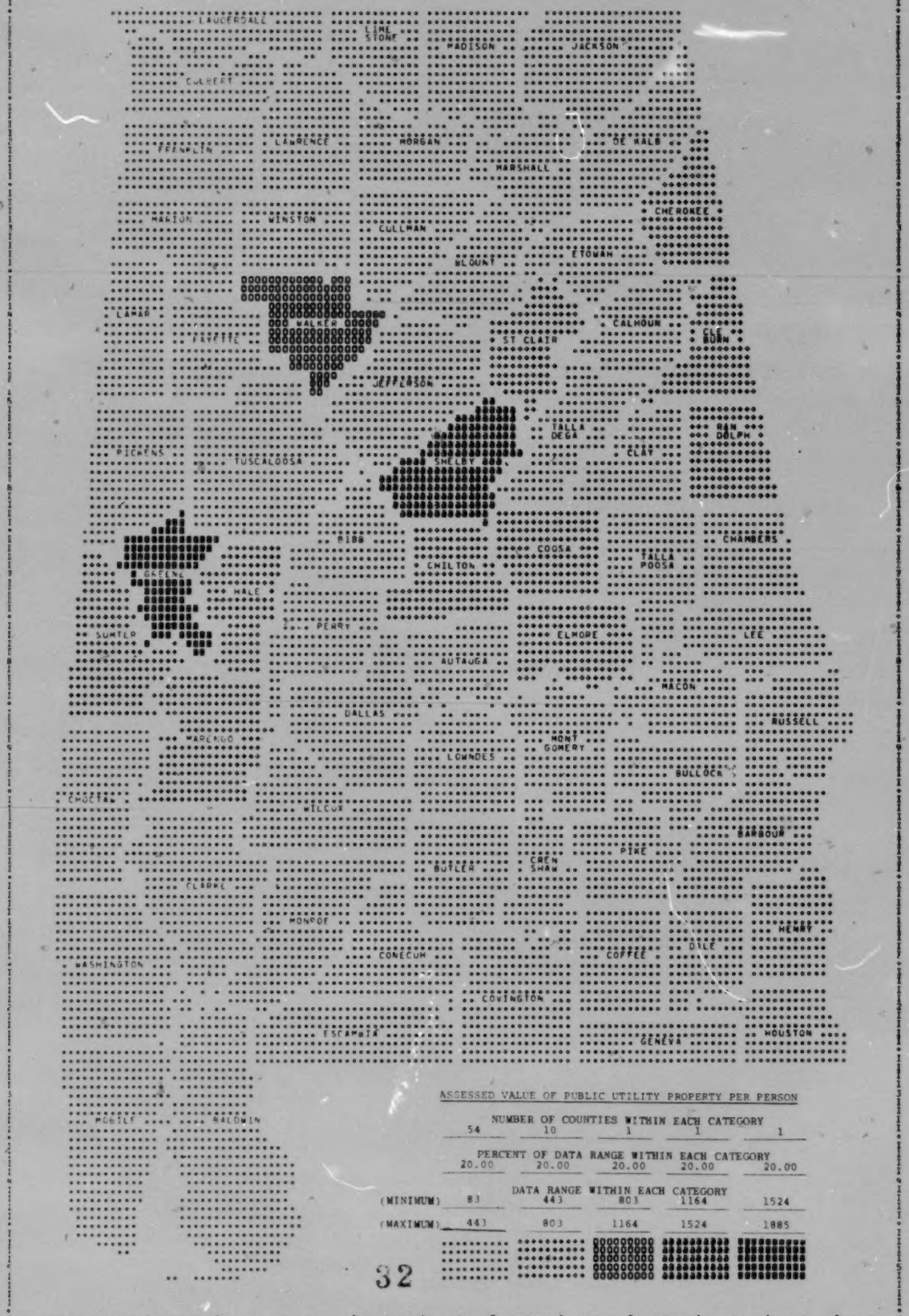
VALUE OF PRIVATE AUTO LICENSES PER PERSON

	NUMBER OF COUNTIES WITHIN EACH CATEGORY				
	12	25	24	4	2
	PERCENT OF DATA RANGE WITHIN EACH CATEGORY				
	20.00	20.00	20.00	20.00	20.00
	DATA RANGE WITHIN EACH CATEGORY				
(MINIMUM)	4.08	5.31	6.54	7.78	9.01
(MAXIMUM)	5.31	6.54	7.78	9.01	10.25

VALUE OF PRIVATE AUTO LICENSES PER PERSON

Sources of data used in all Demo Maps may be found in Appendix B.

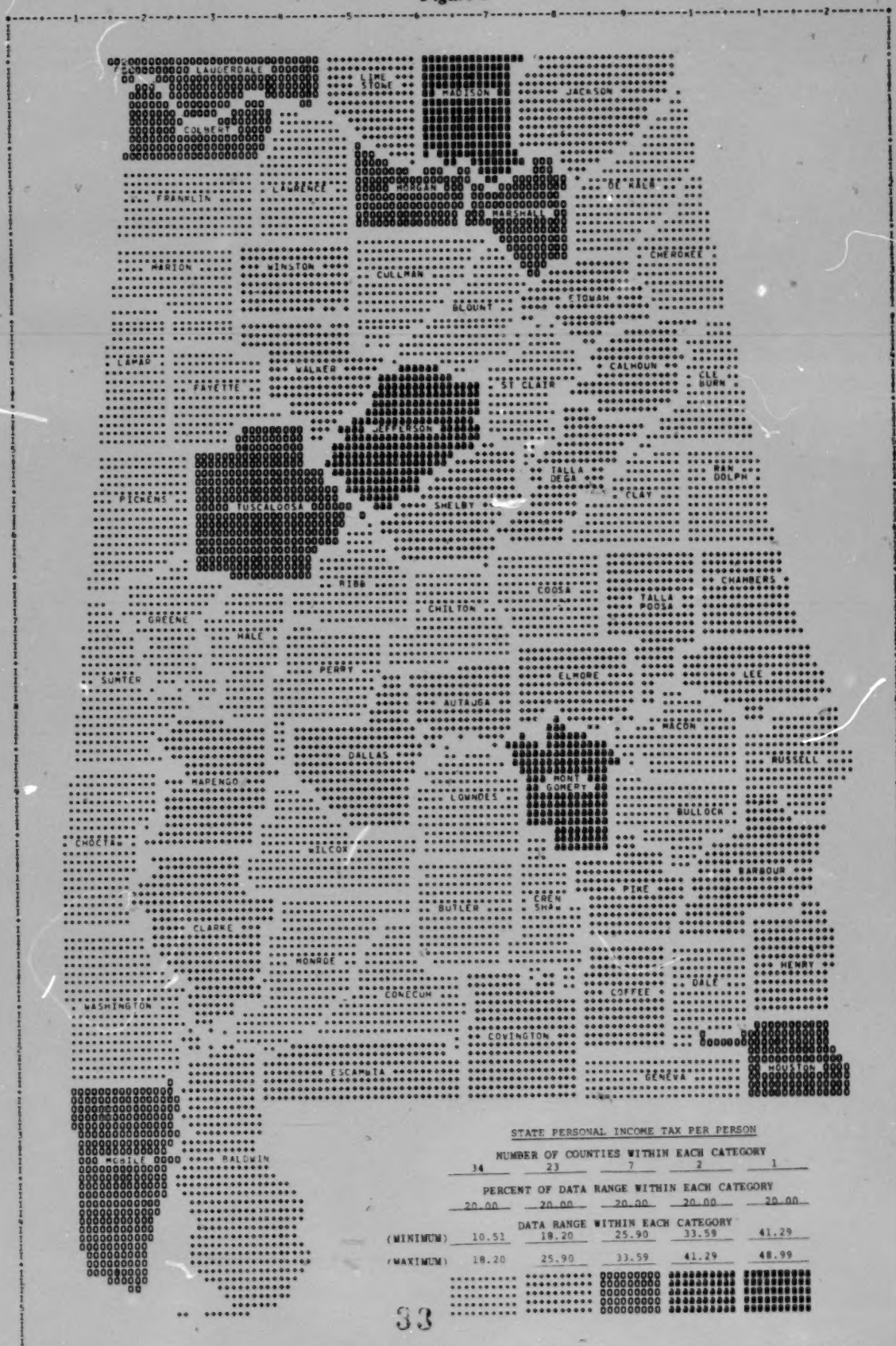
Figure 7



ASSESSED VALUE OF ALABAMA PUBLIC UTILITY PROPERTY — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 8



STATE PERSONAL INCOME TAX PER PERSON

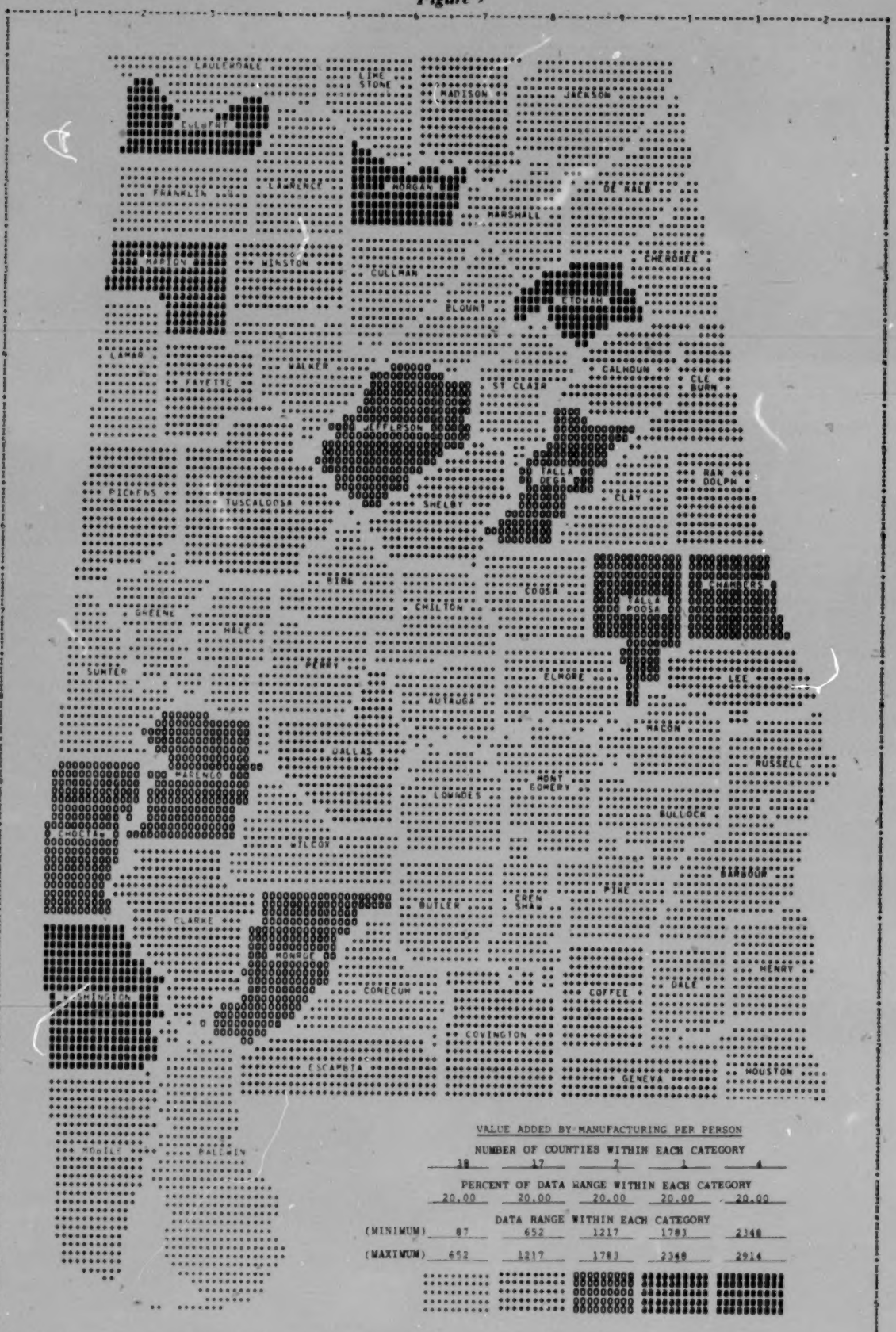
NUMBER OF COUNTIES WITHIN EACH CATEGORY	34	23	7	2	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	10.51	18.20	25.90	33.59	41.29
(MAXIMUM)	18.20	25.90	33.59	41.29	48.99

33

ALABAMA STATE PERSONAL INCOME TAX — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 9



VALUE ADDED BY MANUFACTURING PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY

18	17	7	1	4

PERCENT OF DATA RANGE WITHIN EACH CATEGORY

20.00	20.00	20.00	20.00	20.00

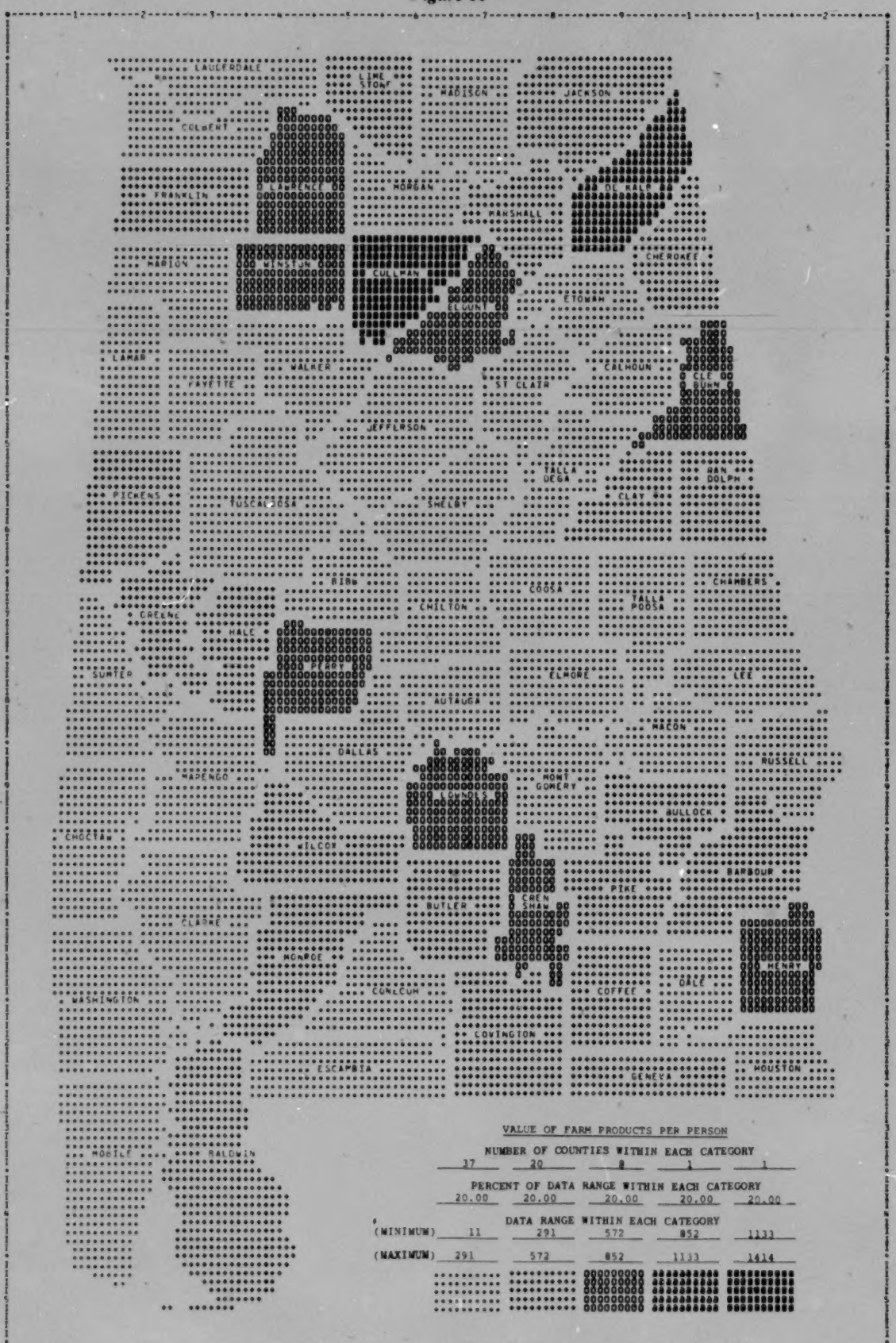
DATA RANGE WITHIN EACH CATEGORY

(MINIMUM)	87	652	1217	1783	2348
(MAXIMUM)	652	1217	1783	2348	2914

VALUE ADDED BY ALABAMA MANUFACTURING — 1973

Sources of data used in all Demo Maps may be found in Appendix B

Figure 10



VALUE OF FARM PRODUCTS PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	37	20	8	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	11	291	572	852	1133
(MAXIMUM)	291	572	852	1133	1414

VALUE OF ALABAMA FARM PRODUCTS — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

Fugures 4 through 10. Per capita sales tax collections ranged from $18.48 per capita in Washington County to $126.24 in Montgomery County. Jefferson County ranked second, with $91.08 per person. The value of private auto licenses ranged from $4.08 in Wilcox County to $10.25 in Marshall County. Jefferson County ranked sixteenth per capita on this variable. The assessed value of public utility property ranged from $83 in Marshall County with Jefferson County ranking thirty-fourth ($228). Per Capita Personal Income Tax ranged from $10.51 in Lowndes County to $48.99 in Madison County. Again, Jefferson County ranked second with $38.26. Per Capita value added by manufacturing yield a range of from $87 per capita in Macon County to $2,914 in Colbert County, with Jefferson County ranking tenth with $1,319. The per capita value of farm products ranged from $11 in Jefferson County to $1,414 in Cullman County. The picture did not change substantially from that of per capita values when viewed from a per student perspective. This similarity is illustrated in Figures 11 through 16.

By computing a composite value for the assessed value of real property, personal property, motor vehicles and public utility property for 1973, a measure of the total assessed value of property in the State of Alabama was ascertained. From this value it was observed that few significant differences occurred when such an approach was employed. The "total assessed value of property" for the State of Alabama was $5,082,515,000. The range was from $11,162,000 in Clay County to $1,187,580,000 in Jefferson County when approached on a county basis. The pattern of this distribution is shown in Figure 17.

Per capita total assessed value of property, however, presented a different picture. The per person range was from $694 per person in Dekalb County to $2,745 in Greene County, moving Jefferson County into fifth position with $1,837, within this range. The distribution of these values is depicted in Figure 18.

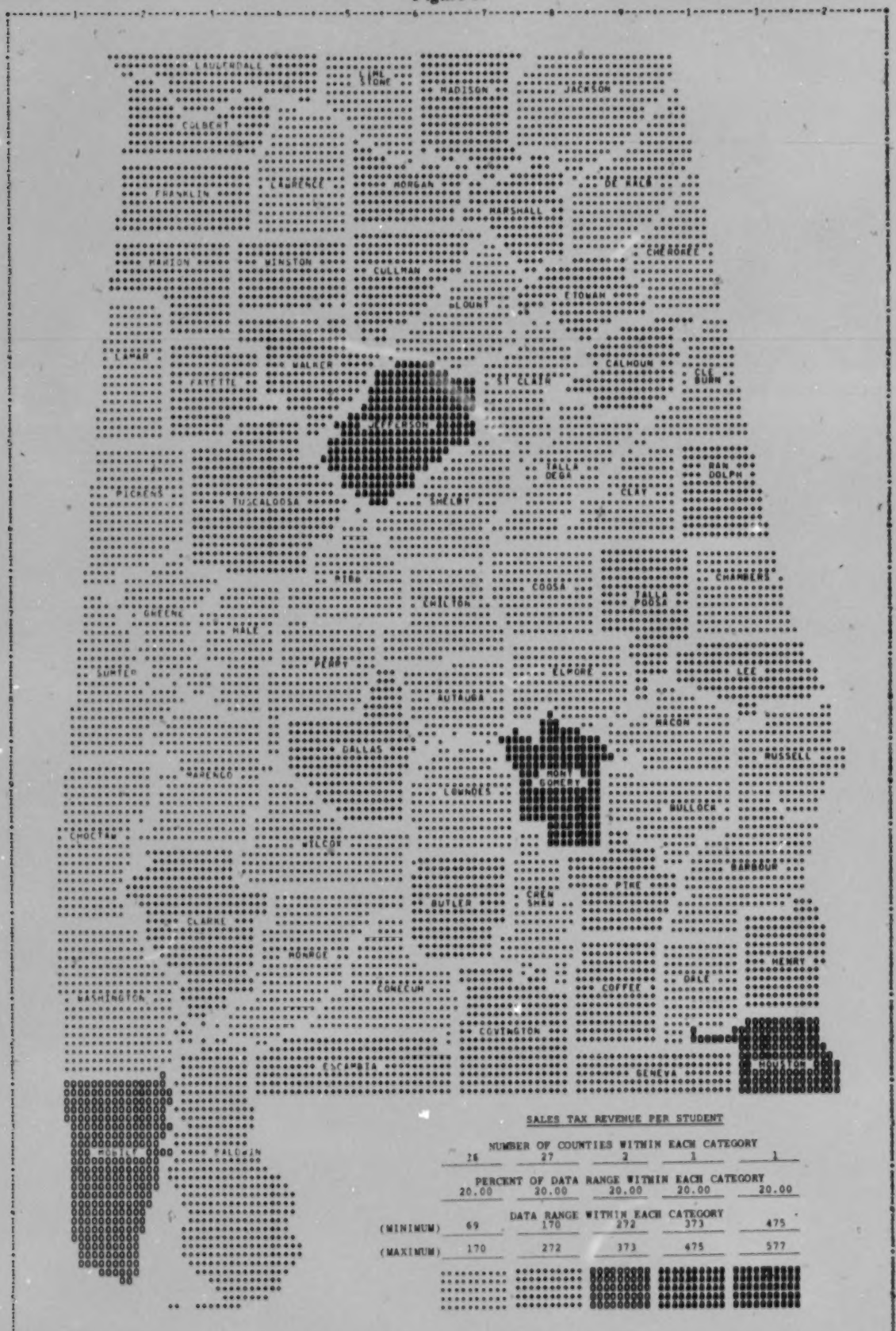
A per student analysis of these data effected little change in the distribution of total assessed value of property within the State. Dekalb County again was shown to have the least wealth ($3,009 per student) and, again, Greene County ($9,874 per student) appeared to be the wealthiest. It should be noted, however, that while Greene County ranks relatively low on assessed value of real property ($2,237 per student, or fourty-seventh within the State), personal property ($347 per student, or fifty-ninth in the State) and motor vehicles ($89 per student, or sixty-second in the State), its total assessed value is extremely high ($6,781). This is probably due, in large part, to public utility property. Jefferson County was relegated to fourth position on the per student measure ($8,509). The distribution of total assessed value of property per student is presented as Figure 19.

By each of these ability measures, there is a wide range of disparities in the location of wealth within the State. The Minimum Program Law is designed to assure that the level of educational opportunity made available to any child within the State of Alabama does not become a function of the wealth to be found within the county in which he resides. The procedure used pursuant to this goal is to be found within the Law. The average index of Local Ability is to adjust for the wealth variations among counties within the State. The effect of the application of that index in 1973 is shown in Figure 20.

According to the Index of Local Ability for that year, .24 percent of the wealth of the State was to be found in Bullock County, while 22.55 percent was to be found in Jefferson County. With this awareness, how can the fiscal burden of educating the State's children be equalized throughout the State?

[36] "This illustration of local ability computation was adopted from *ABC's of the Minimum Program*, op. cit.

Figure 11



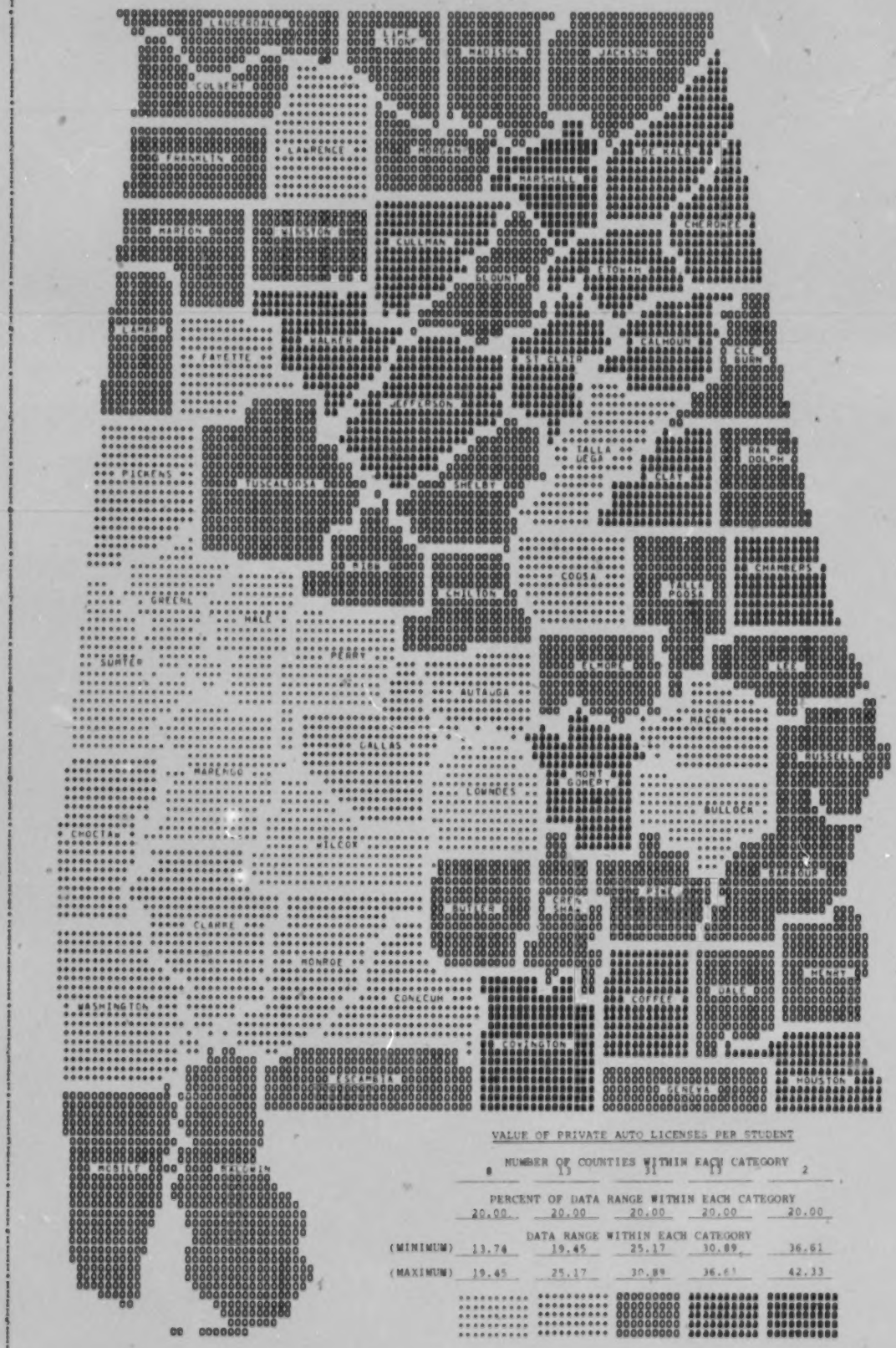
SALES TAX REVENUE PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY	16	27	2	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	69	170	272	373	475
(MAXIMUM)	170	272	373	475	577

ALABAMA SALES TAX REVENUE — 1973

Sources of data used in all Demo Maps may be found in Appendix B.

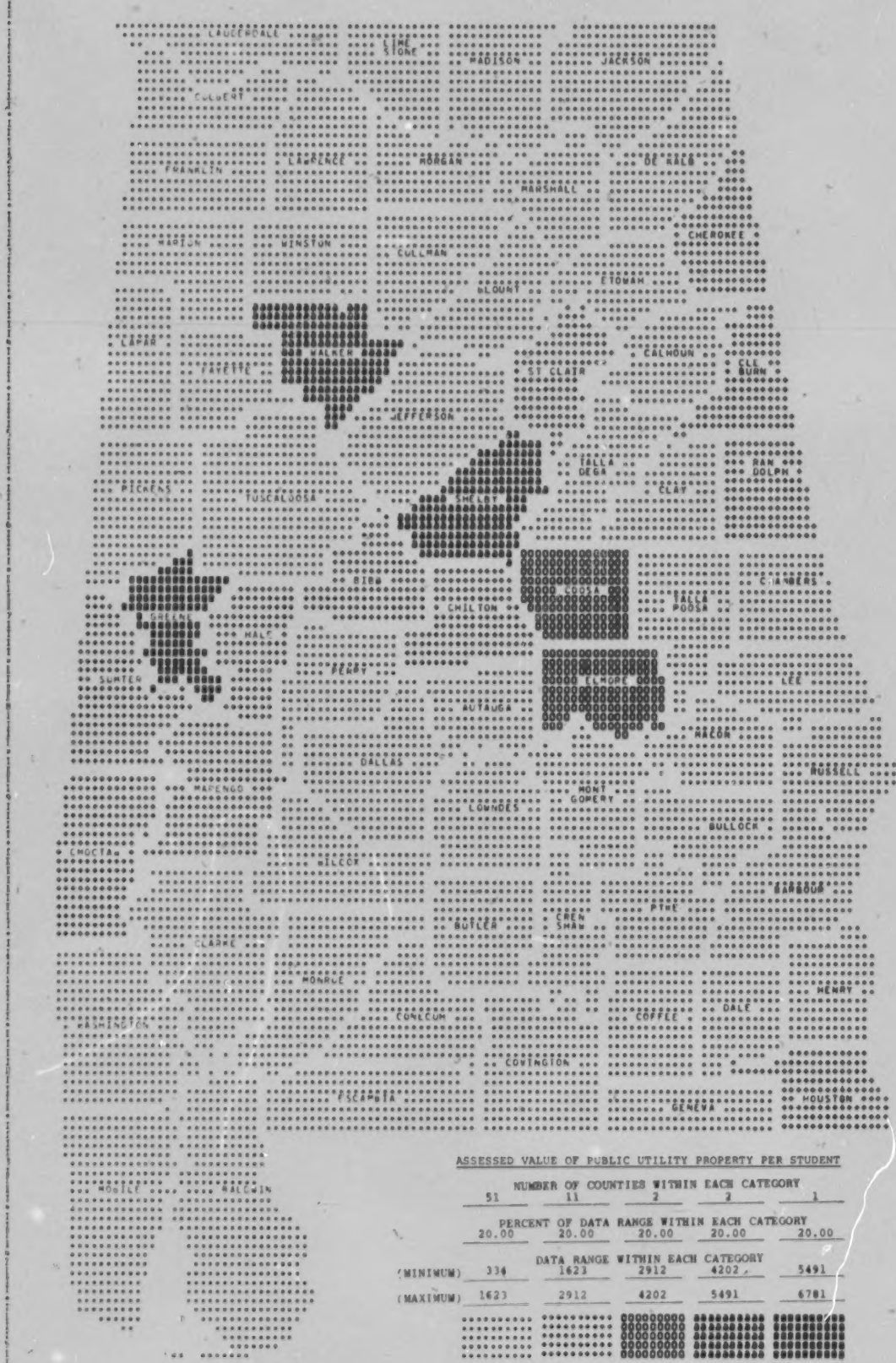
Figure 12



VALUE OF PRIVATE AUTO LICENSES PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B

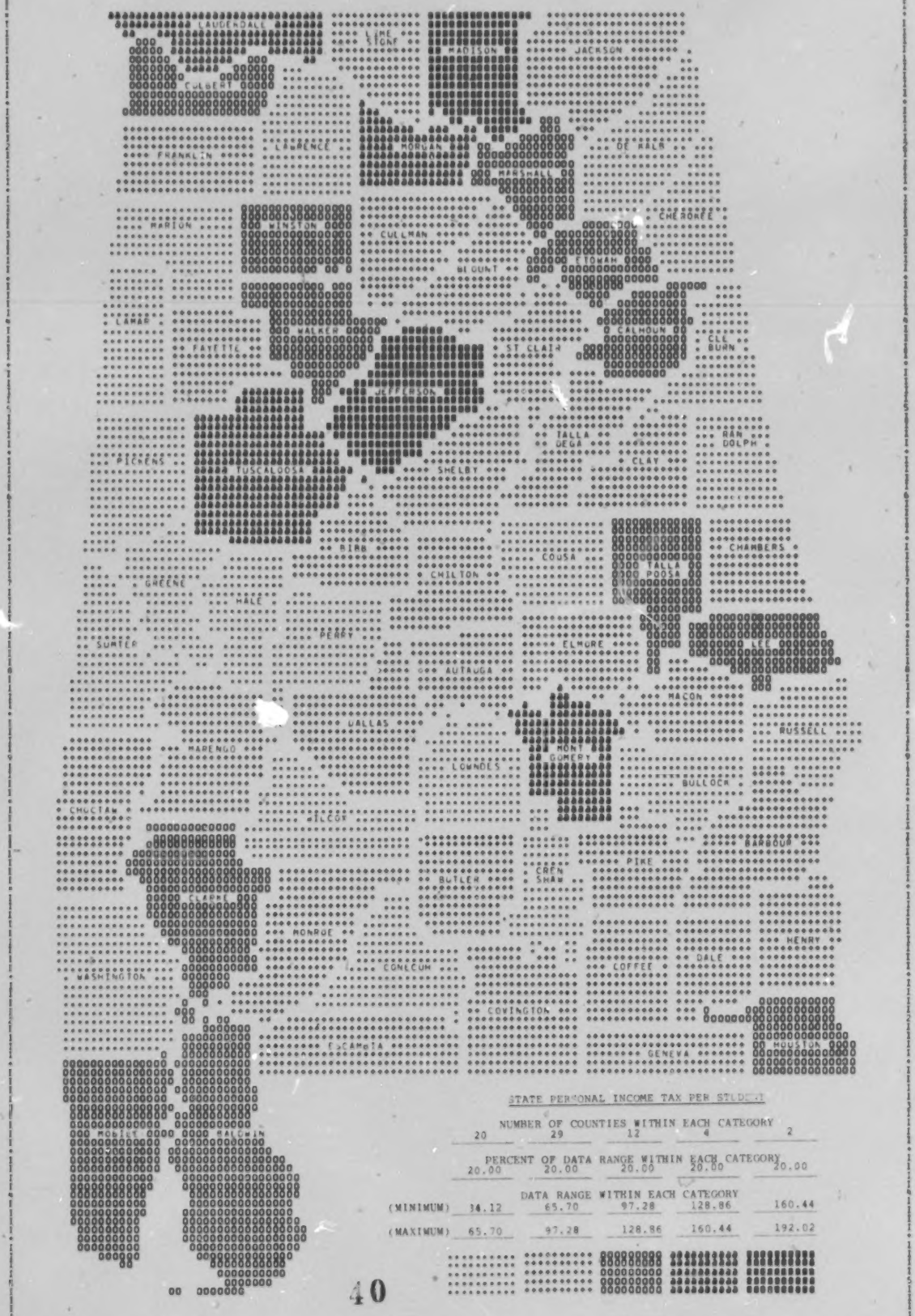
Figure 13


ASSESSED VALUE OF PUBLIC UTILITY PROPERTY PER STUDENT
NUMBER OF COUNTIES WITHIN EACH CATEGORY
51 11 2 2 1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY
20.00 20.00 20.00 20.00 20.00
DATA RANGE WITHIN EACH CATEGORY
(MINIMUM) 336 1623 2912 4202 5491
(MAXIMUM) 1623 2912 4202 5491 6781

ASSESSED VALUE OF PUBLIC UTILITY PROPERTY PER PERSON

Sources of data used in all Demo Maps may be found in Appendix B.

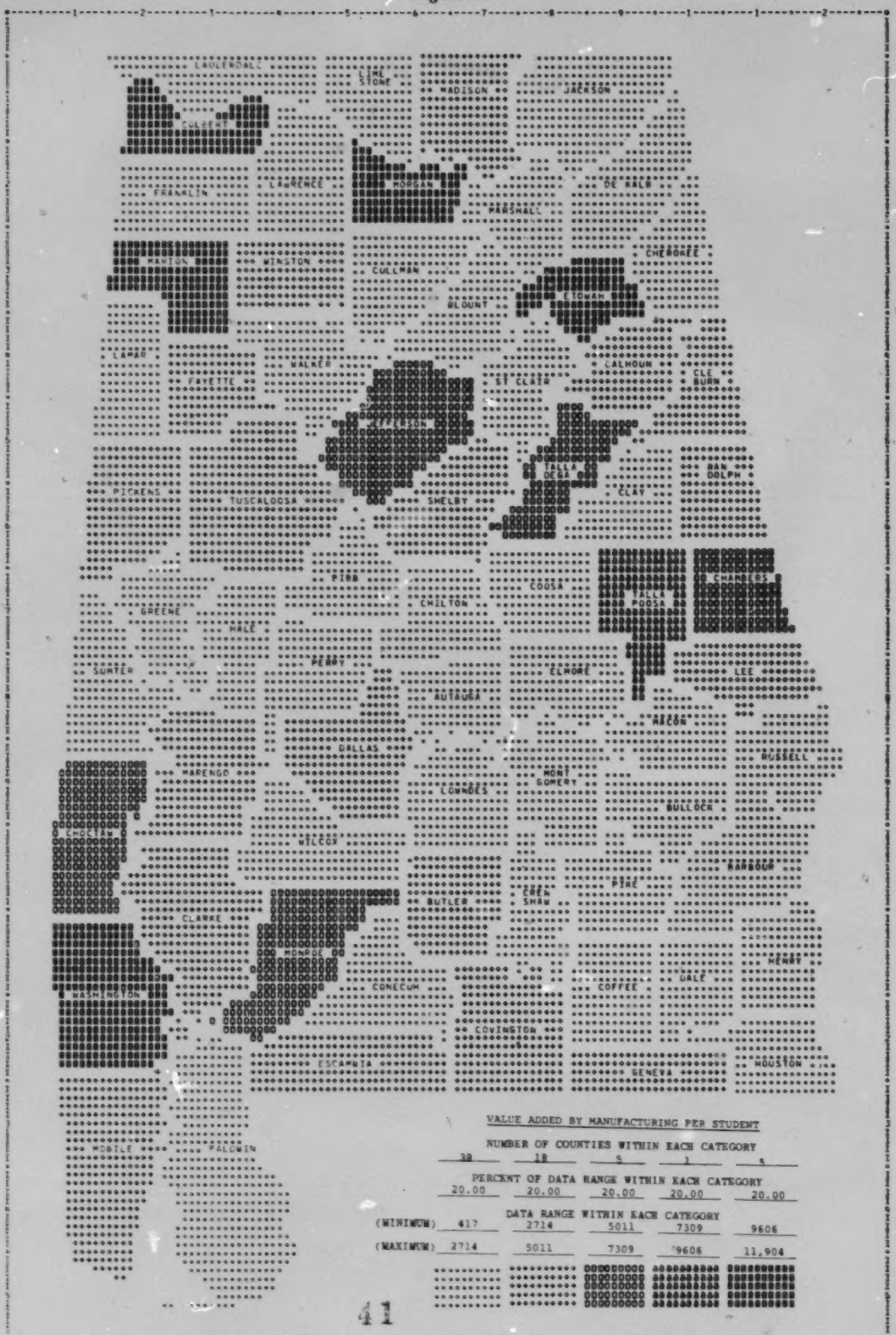
Figure 14



STATE PERSONAL INCOME TAX PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 15



VALUE ADDED BY MANUFACTURING PER STUDENT

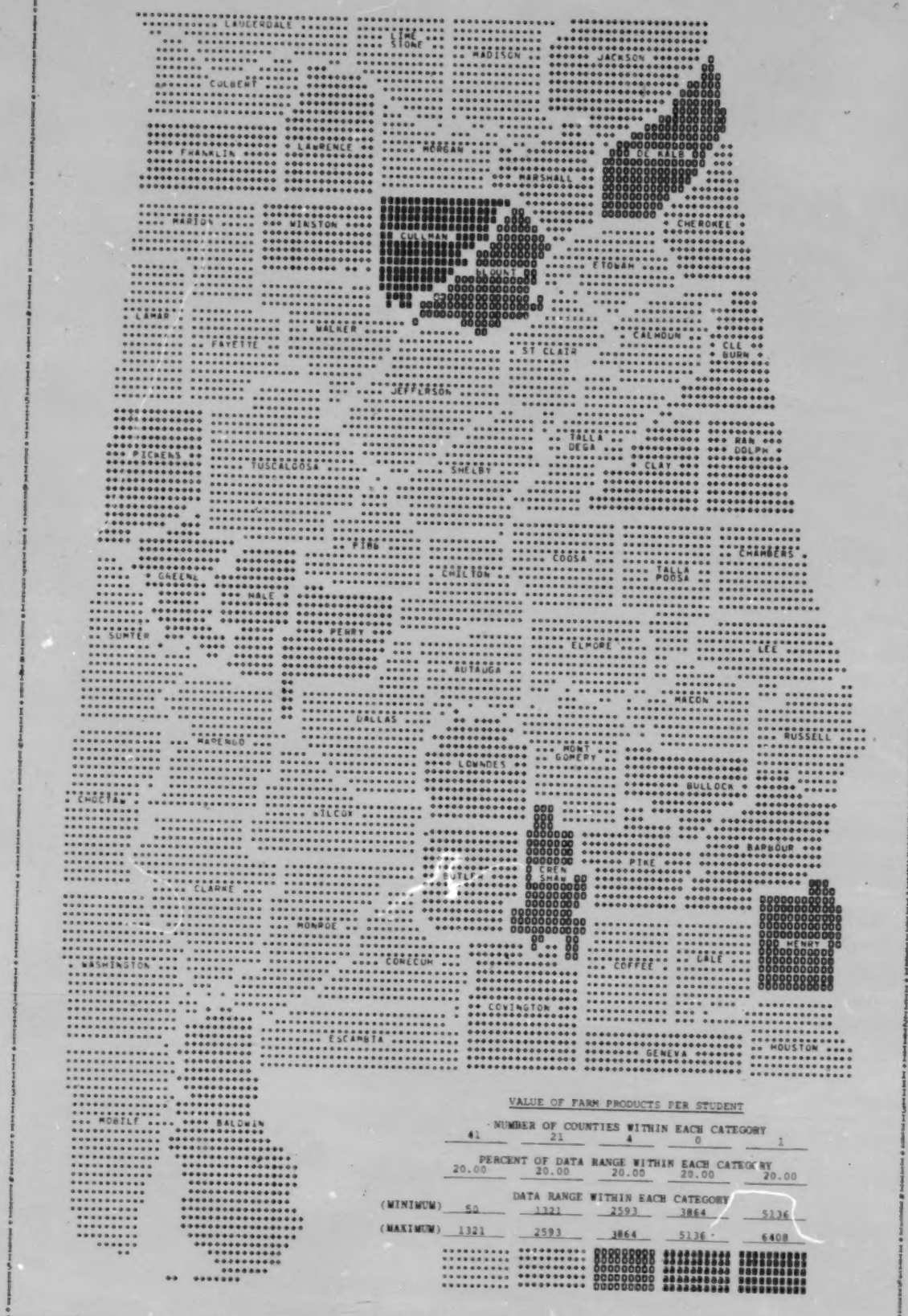
NUMBER OF COUNTIES WITHIN EACH CATEGORY	38	18	5	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	417	2714	5011	7309	9606
(MAXIMUM)	2714	5011	7309	9606	11,904

41

VALUE ADDED BY MANUFACTURING

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 16



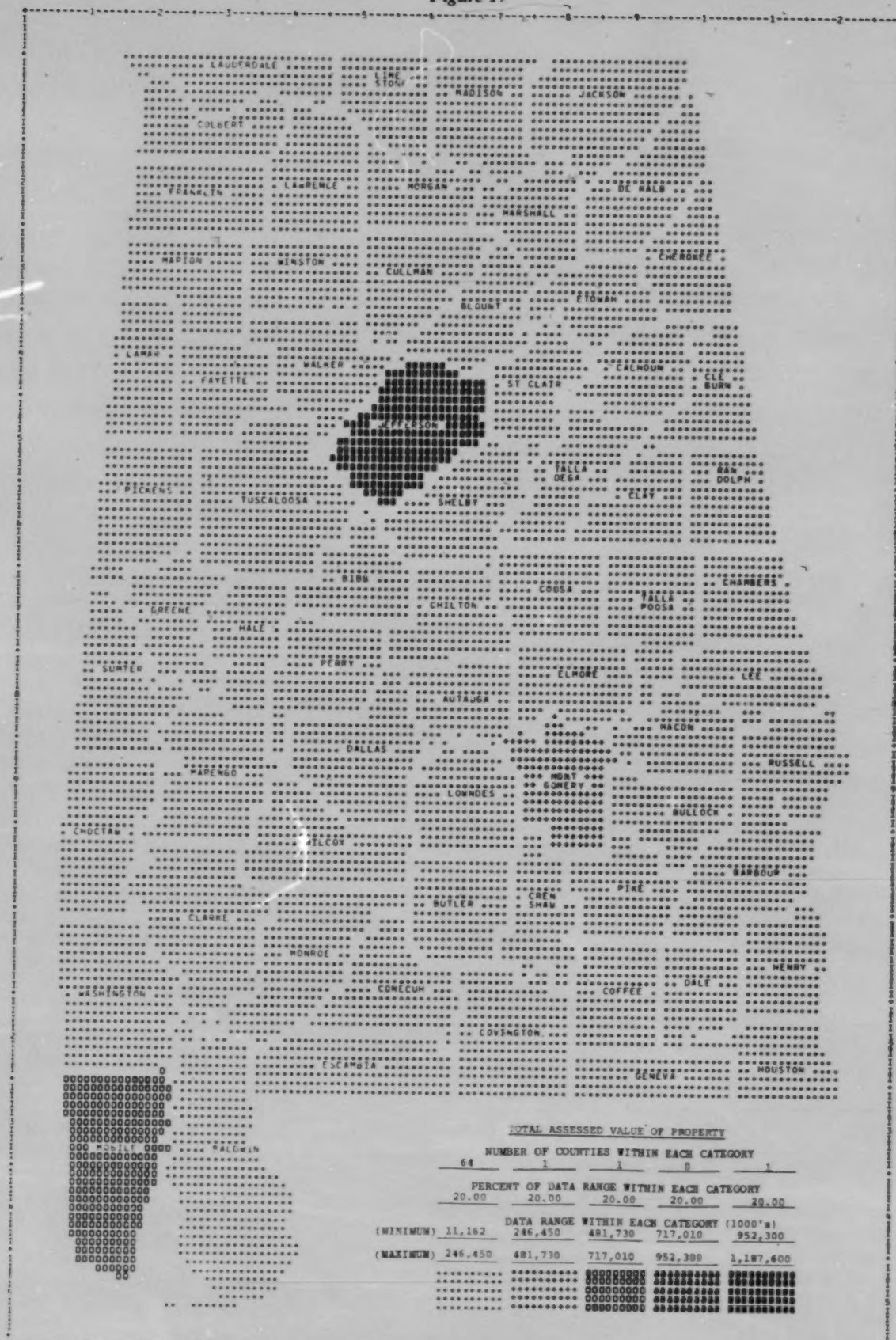
VALUE OF FARM PRODUCTS PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY	41	21	4	0	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	50	1321	2593	3864	5136
DATA RANGE WITHIN EACH CATEGORY (MAXIMUM)	1321	2593	3864	5136	6408

VALUE OF FARM PRODUCTS PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 17



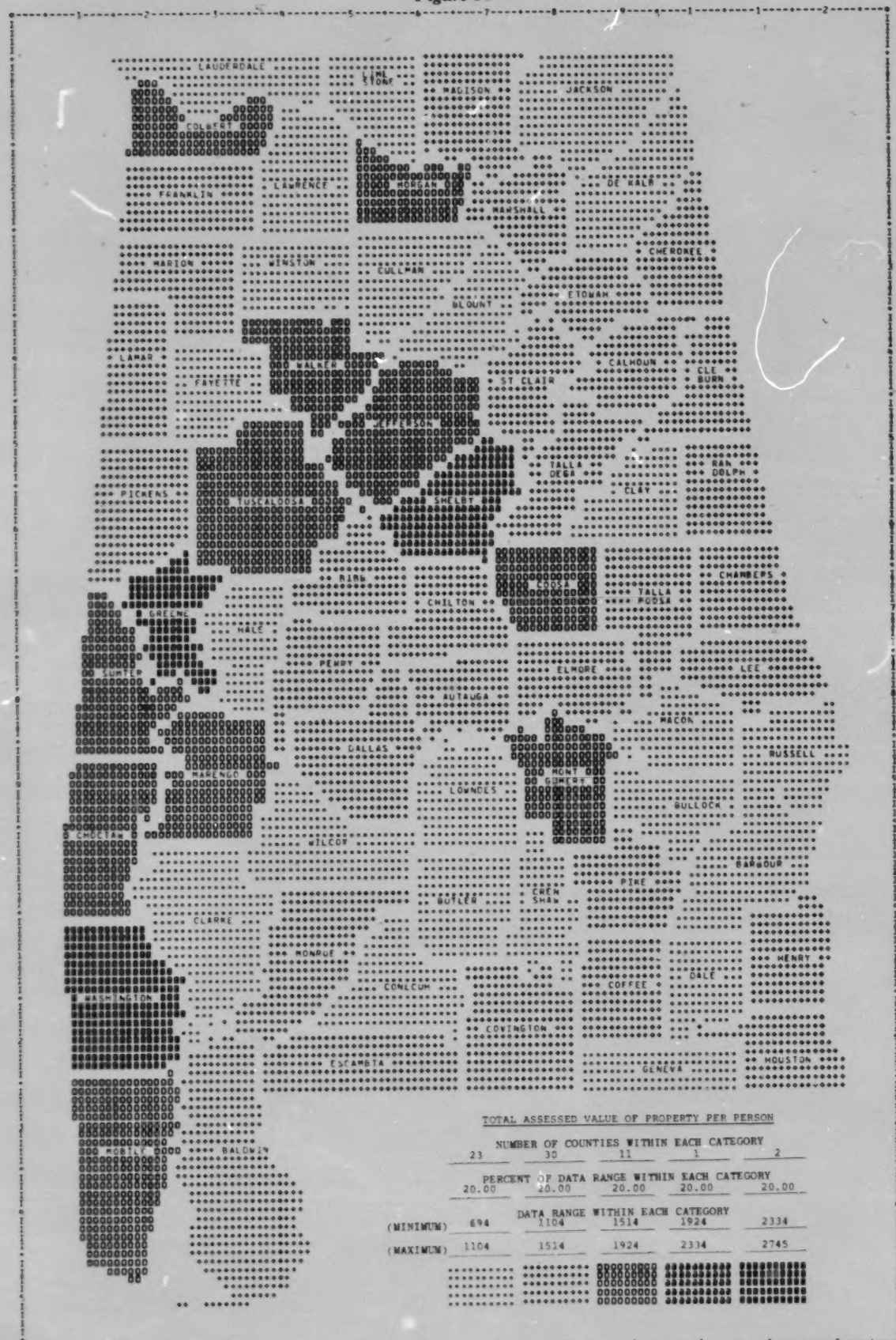
TOTAL ASSESSED VALUE OF PROPERTY

NUMBER OF COUNTIES WITHIN EACH CATEGORY	64	1	1	0	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (1000's)					
(MINIMUM)	11,162	246,450	481,730	717,010	952,300
(MAXIMUM)	246,450	481,730	717,010	952,300	1,187,600

TOTAL ASSESSED VALUE OR PROPERTY

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 18



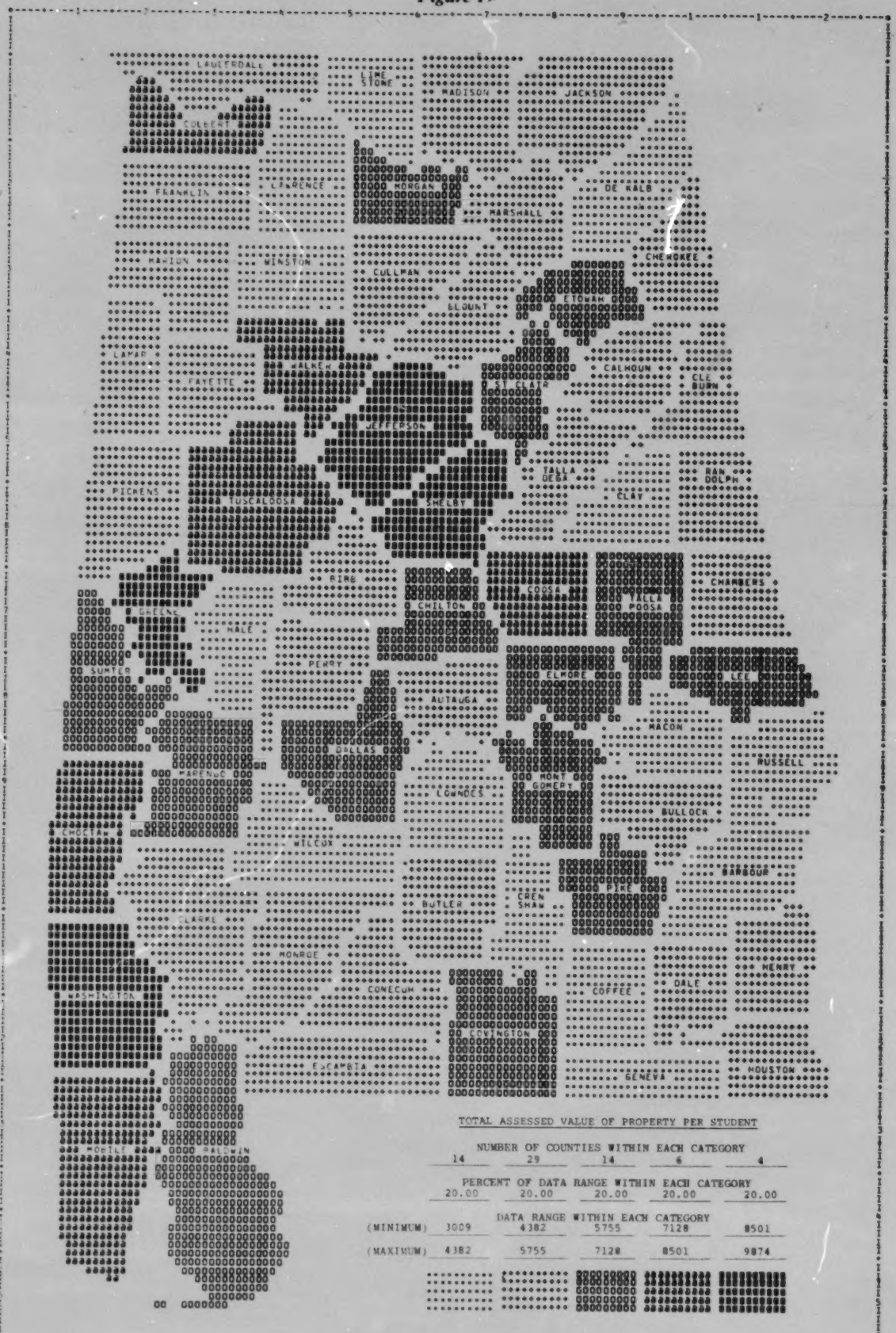
TOTAL ASSESSED VALUE OF PROPERTY PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	23	30	11	1	2
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	694	1104	1514	1924	2334
(MAXIMUM)	1104	1514	1924	2334	2745

TOTAL ASSESSED VALUE OF PROPERTY PER PERSON

Sources of data used in all Demo Maps may be found in Appendix B

Figure 19



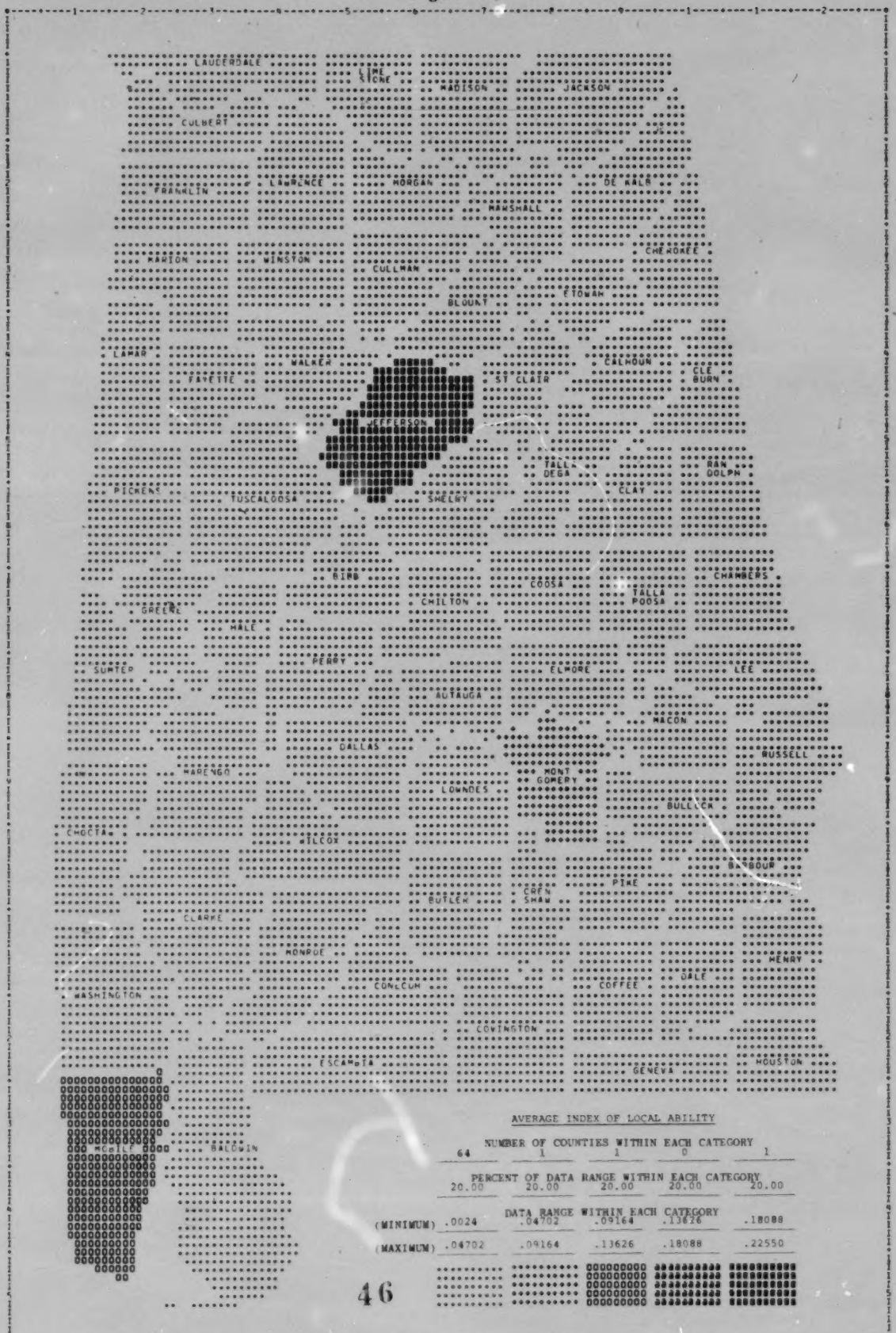
TOTAL ASSESSED VALUE OF PROPERTY PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY	14	29	14	6	4
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY					
(MINIMUM)	3009	4382	5755	7128	8501
(MAXIMUM)	4382	5755	7128	8501	9874

TOTAL ASSESSED VALUE OF PERSONAL PROPERTY PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 20



AVERAGE INDEX OF LOCAL ABILITY

Sources of data used in all Demo Maps may be found in Appendix B.

Local Input Equity in the Alabama Minimum Program

Local input equity relates the ability of local citizens to support public education to the effort which must be exerted to arrive at a designated per pupil expenditure level throughout the State. In its purest form local input equity would presuppose a system of recapture and redistribution at the state level. That is, a wealthy district, generating more than a specified amount of revenue per pupil, would return the excess to the State for distribution to lower-wealth districts. This does not mean, however, that per pupil expenditure levels would be fixed at the state level, i.e., no local leeway. Nor does it mean that expenditure per pupil would be equal among districts within the state. What is guaranteed is that equal tax rates will yield equal resources. The actual level of resources and taxes is left to the discretion of local decision makers subject to a state-determined minimum.

The Alabama Minimum Program addresses the issue of local input equity through its computation of local effort. This computation is made after the total cost of the Minimum Program has been determined by the Legislature. Each school district is required to contribute a portion of $4,676,485 consistent with its value on the Index of Local Ability. The sum of local effort required statewide was determined by the Legislature in Title 52, Chapter 10, Article 5, Section 213, of the Codes of Alabama, which states, "multiply one-half of one percent by the total assessed valuation of the State on which taxes were due and collectable for the fiscal year beginning October 1, 1938, and the product shall be counted as the total local funds for the support of the state minimum school program."

The assessed valuation of the State of Alabama was $935,297,005 on October 1, 1938. This value, when multiplied by one-half of one percent, equals $4,676,485. Therefore, the legally mandated maximum local effort to be required from all school districts within the State was frozen at the 1938 level. There is discretion, however, in determining how much of this statewide local effort each county must bear. The amount of each county's effort is proportioned to its ability as indicated by the average Index of Local Ability. In all cases, therefore, the amount of local effort required for participation in the Alabama Minimum Program is relatively insignificant to the total state/local support of education within the State. While local effort amounted to approximately twenty-nine percent of the Minimum Program budget prior to the enactment of this legislation in 1938, it presently accounts for less than three percent.[67]

It is significant, however, that the Public School Fund receipts for local school districts is actually counted as a part of the state share of Minimum Program cost. It may be recalled that these funds are distributed on the basis of the school census, each census child being allotted an equal amount. Therefore, in the State Minimum Program:

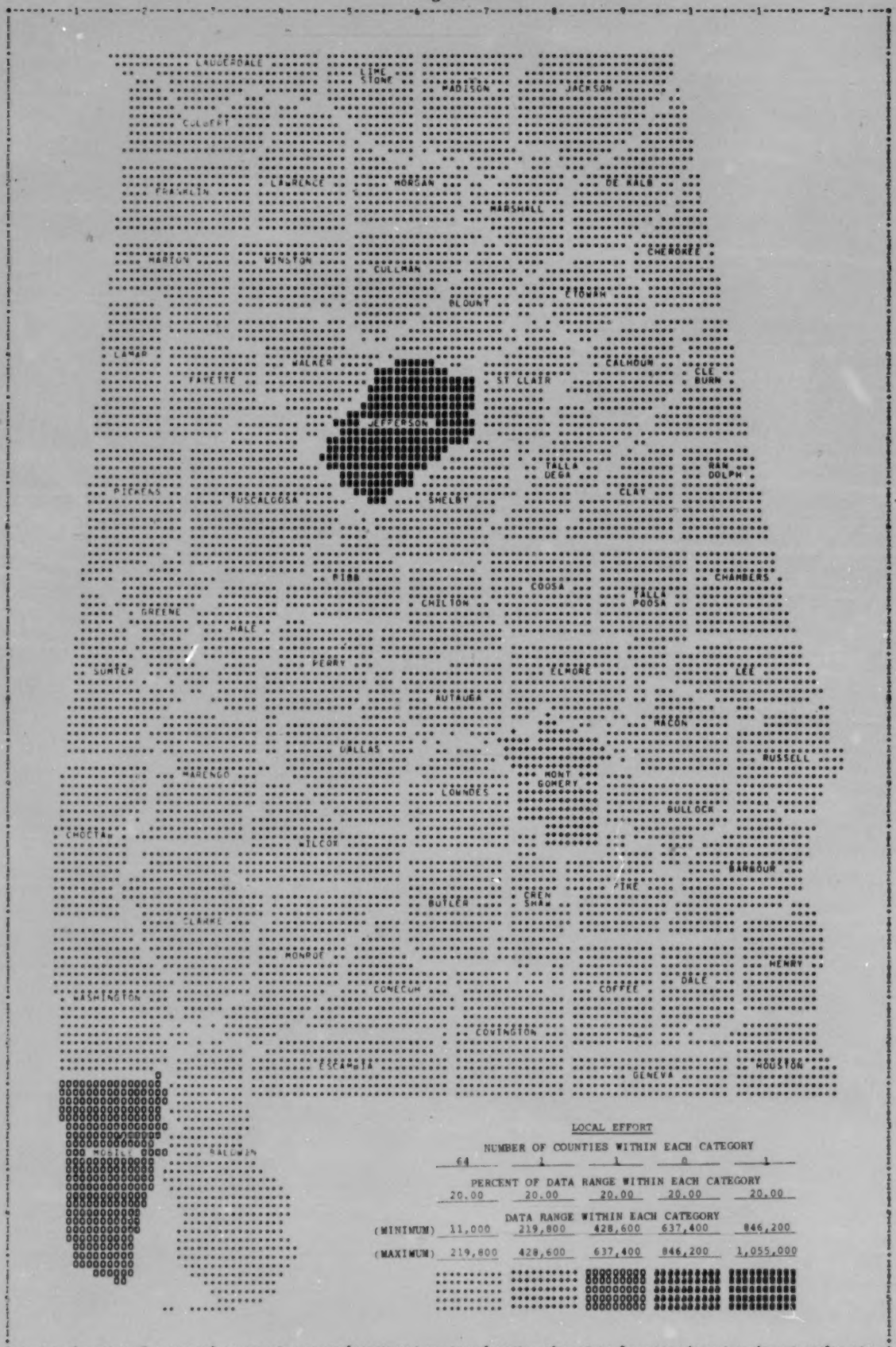
Total Cost of MFP—(Required Local Effort + Public School Fund) = State Minimum Program Cost.

The county contribution to statewide local effort ranged from $11,000 in Bullock County to $1,055,000 in Jefferson County, as indicated in Figure 21. On a per capita basis, this translated to a range of from $.71 in Bullock County to $2.40 in Greene County, with Jefferson County being relegated to rank six ($1.63). The per capita required local effort is reported in Figure 22. Local effort per student ranged from $2.84 in Lowndes County to Shelby County's $8.81. Greene County was relegated to second position, $8.65 per student and Jefferson County ranked third, $7.56 per student. This distribution is presented as Figure 23.

Actually, the local effort of Alabama School systems is greater than that required for participation in the Minimum Program. In 1974-75, the reported local effort for the 127 school systems in the State ranged from zero percent of revenues in Hartselle City System to 46.66 percent ($1,362,546) of total revenues in Mountain Brook. Table 5 shows the amounts of local revenues for each system and the percentage these are of total district revenues. It should be observed that city systems tended to contribute more to the support of education than did county systems. The required local effort for a city school system is calculated by multiplying its percent of the total assessed valuation of a county by the required local effort of the county, including all school systems therein. This deviation seems to corroborate the need expressed for the development of a system-by-system data base for the analysis of school finance in Alabama.

[67] Alabama Education Study Commission, *Report of Task Force II: Financing Education in Alabama* (Montgomery: The Commission, 1968), p. 30.

Figure 21



LOCAL EFFORT

NUMBER OF COUNTIES WITHIN EACH CATEGORY

64	1	1	0	1

PERCENT OF DATA RANGE WITHIN EACH CATEGORY

20.00	20.00	20.00	20.00	20.00

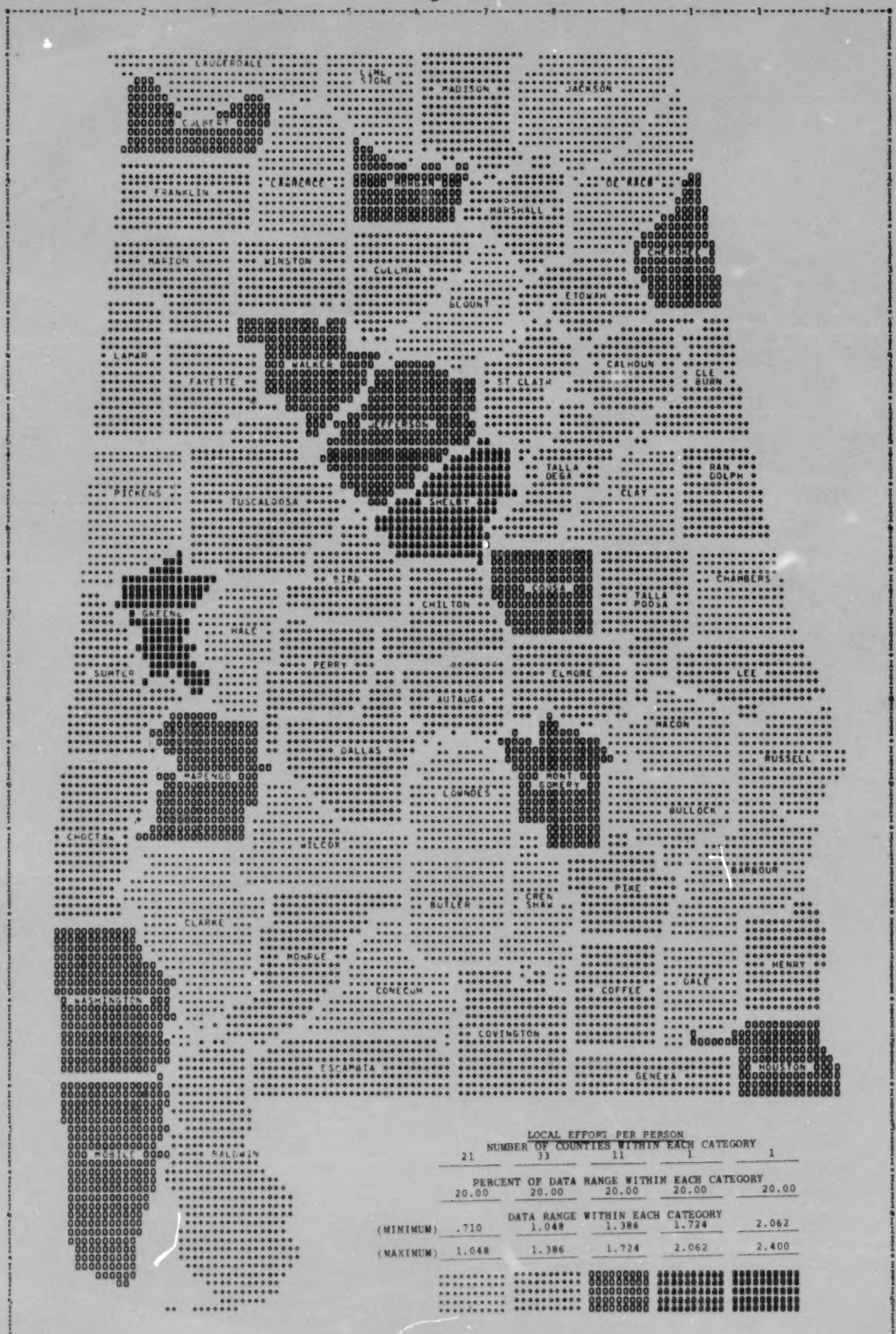
DATA RANGE WITHIN EACH CATEGORY

(MINIMUM)	11,000	219,800	428,600	637,400	846,200
(MAXIMUM)	219,800	428,600	637,400	846,200	1,055,000

LOCAL EFFORT

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 22



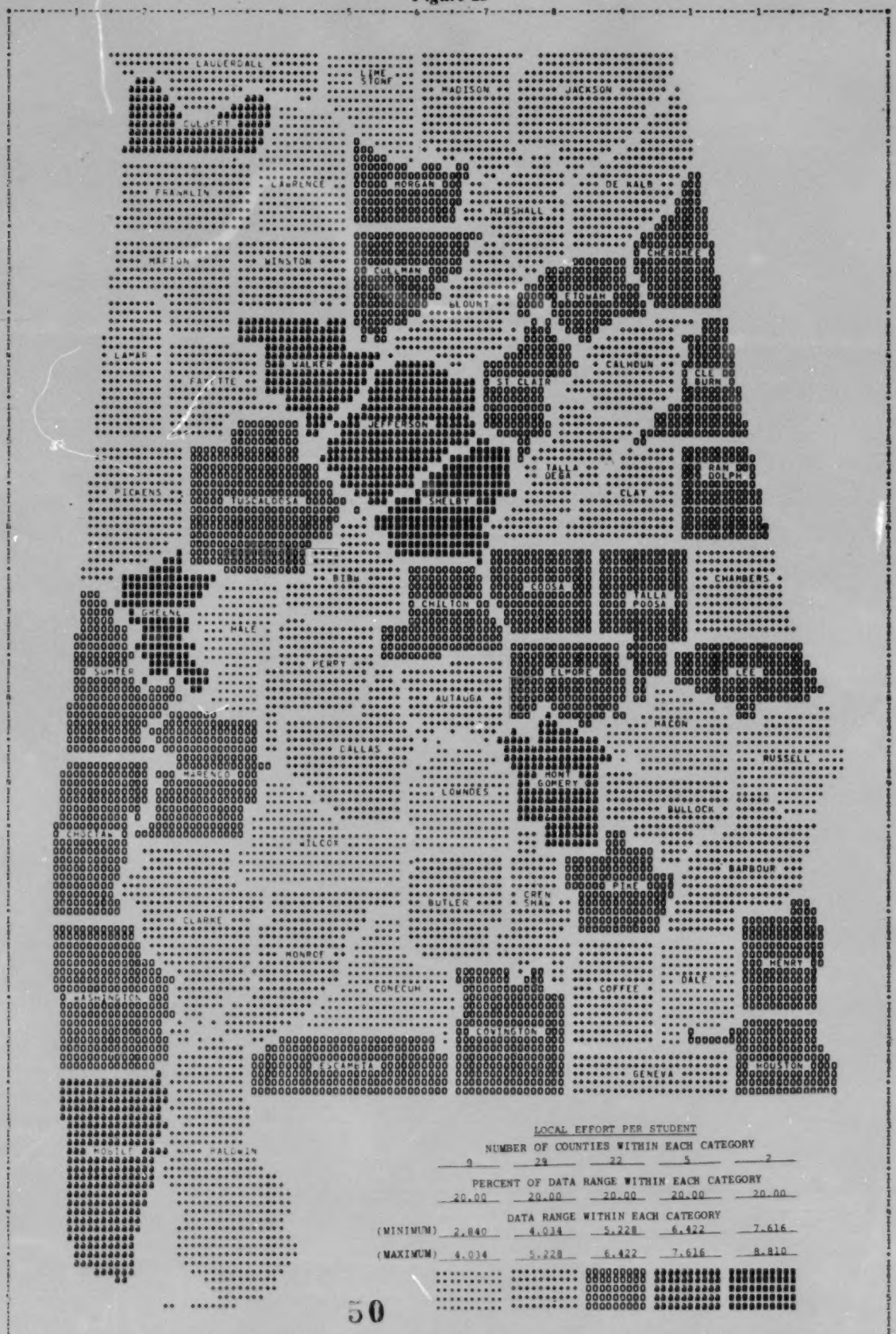
LOCAL EFFORT PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	21	33	11	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY					
(MINIMUM)	.710	1.048	1.386	1.724	2.062
(MAXIMUM)	1.048	1.386	1.724	2.062	2.400

LOCAL EFFORT PER PERSON

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 23



LOCAL EFFORT PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY

9	29	22	5	2

PERCENT OF DATA RANGE WITHIN EACH CATEGORY

20.00	20.00	20.00	20.00	20.00

DATA RANGE WITHIN EACH CATEGORY

(MINIMUM)	2.840	4.034	5.228	6.422	7.616
(MAXIMUM)	4.034	5.228	6.422	7.616	8.810

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LOCAL EFFORT PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B.

TABLE 5

LOCAL REVENUES RECEIVED AND PERCENTAGE THESE REPRESENT OF TOTAL REVENUES FOR EACH SYSTEM

Counties	Amount of Local Revenue	Percentage of Total Revenues	Cities	Amount of Local Revenue	Percentage of Total Revenues
Autauga	280,333	6.52	Alexander City	428,097	20.80
Baldwin	1,221,824	13.79	Andulusia	463,676	27.51
Barbour	144,716	6.30	Anniston	1,167,710	24.74
Bibb	184,081	7.81	Arab	79,079	8.49
Blount	673,184	17.35	Athens	426,332	28.72
Bullock	161,547	7.95	Attalla	86,354	12.12
Butler	243,405	7.52	Auburn	544,425	14.67
Calhoun	1,445,277	19.25	Bessemer	467,936	19.86
Chambers	388,665	11.36	Birmingham	7,571,909	26.97
Cherokee	342,870	12.29	Brewton	233,295	34.32
Chilton	767,641	18.82	Carbon Hill	36,538	11.56
Choctaw	434,361	16.58	Cullman	412,419	24.19
Clarke	345,397	10.18	Daleville	90,915	10.18
Clay	113,018	6.37	Decatur	1,490,368	27.16
Cleburne	194,512	11.19	Demopolis	170,931	18.94
Coffee	326,995	19.11	Dothan	1,129,076	24.93
Colbert	1,364,334	33.40	Elba	90,694	9.02
Conecuh	177,358	6.39	Enterprise	350,799	12.77
Coosa	247,654	15.40	Eufaula	291,312	20.00
Covington	645,307	26.85	Fairfield	352,141	27.69
Crenshaw	233,428	12.14	Florala	52,077	24.00
Cullman	1,484,979	22.97	Florence	1,413,923	29.55
Dale	397,813	20.03	Ft. Payne	193,679	20.17
Dallas	554,359	11.36	Gadsden	1,232,208	21.49
Dekalb	634,358	11.69	Geneva	45,973	8.31
Elmore	623,006	12.44	Guntersville	193,865	15.54
Escambia	1,227,031	25%31	Gadsden	1,232,208	21.49
Etowah	1,101,003	18.46	Haleyville	60,970	21.18
Fayette	438,866	16.71	Hartselle	318,329	NA
Franklin	648,654	22.75	Homewood	839,611	42.44
Geneva	147,318	5.77	Huntsville	6,427,239	27.80
Greene	215,829	8.06	Jacksonville	144,362	17.38
Hale	254,942	8.92	Jasper	399,528	25.65
Henry	215,321	16.60	Lanett	97,650	16.08
Houston	627,973	20.02	Linden	25,953	7.53
Jackson	940,590	35.69	Marion City	46,135	7.55
Jefferson	14,674,287	35.69	Midfield	119,545	22.88
Lamar	137,236	6.23	Mt. Brook	1,362,546	46.66
Lauderdale	1,291,887	20.07	Muscle Shoals	487,295	35.37
Lawrence	603,391	13.25	Oneonta	275,786	41.13
Lee	1,042,898	28.11	Opelika	680,862	24.42
Limestone	922,760	18.32	Opp	282,805	26.20
Lowndes	86,905	3.39	Oxford	169,971	18.97
Macon	196,083	5.57	Ozark	303,585	12.81
Madison	2,246,276	26.79	Pheniz City	563,922	17.25
Marengo	220,921	9.57	Piedmont	43,432	11.72
Marion	519,029	16.42	Poanoke	52,420	10.97
Marshall	494,023	9.25	Russellville	196,419	24.64
Mobile	14,339,906	28.85	Scottsboro	399,940	22.78
Monroe	551,843	15.04	Selma	891,333	22.91
Montgomery	3,421,747	13.71	Sheffield	719,372	37.62
Morgan	1,364,209	20.14	Sylacauga	294,594	24.27
Perry	108,150	6.37	Talladega	106,012	11.44
Pickens	216,301	6.14	Tallassee	93,833	13.61
Pike	200,255	8.69	Tarrant	242,012	32.56
Randolph	214,306	12.50	Thomasville	22,000	11.19
Russell	298,051	10.57	Troy	198,761	16.25
St. Clair	680,979	14.14	Tuscaloosa	2,439,698	30.10
Shelby	1,558,035	22.59	Tuscumbia	304,556	25.22
Sumter	200,765	7.71	Vestavia Hills	799,521	40.23
Talladega	1,202,641	21.51	Winfield	107,292	16.03
Tallapoosa	404,914	17.57			
Tuscaloosa	2,245,947	24.96	Average		27.61
Walker	704,530	11.88			
Washington	661,126	22.10			
Wilcox	101,450	3.14			
Winston	622,888	27.96			
Average		17.93			

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SOURCE: State Department of Education, *Annual Report, 1974-75*, as reported by Kenneth Wilson, Graduate Student at the University of Alabama.

Instructional Cost Equity in

The Alabama Minimum Program

Instructional cost equity includes the provision in school finance formulae for variations in per pupil instructional costs, taking into account exceptional education, vocational education or other instructional programs which cause variations in the per pupil cost of education for providing equivalent educational opportunity. It addresses the physiological and psychological differences among children. It also speaks to the differences in phenomenological backgrounds among childredn which require specialized treatment if learning is be effected. Differences in per pupil expenditures are of secondary concern. Two students of equal learning ability might well have the same amount of money expended for their education. Children of more limited learning ability, who suffer physical or mental handicaps, or who are from culturally different home backgrounds, frequently need substantially higher expenditures to achieve equal knowledge and skills.

Research seems to substantiate the contention that it takes greater resources to overcome learning disadvantages imposed by mental retardation,[68] or certain physical handicaps[69]. Similarly, there is evidence that a deprived home environment can handicap a child's learning in a manner which requires added school resources to overcome.[70] Consequently, instructional cost equity is measured by the differential proportion of high-cost students within a local school district as compared to the number or percent of such pupils in the state as a whole.

The Alabama Minimum Program makes inadequate provision for instructional cost equity. Vocational education and some categories of exceptional education are provided for in part through state appropriations. However, no state aid is provided for pupils with learning disabilities caused by cultural differences.

Tax Equity in the Alabama Minimum Program

Tax equity is concerned with the range of alternatives available in the provision of needed resources for public education. It approached educational production function through consideration of the societal benefits from the schooling of youth for parents and non-parents. It addresses the egalitarian ethos of American society in its inquiry as to whether schools should be supported equally by everyone, or if wealthier residents should be required to support a larger share of school costs. Moreover, it refers to the progressivity and regressivity of taxation by its response to the question of schools being supported from property tax proceeds as opposed to the utilization of other taxes, e.g., a state income tax.

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[68]Abraham J. Tannenbaum, *Special Education and Programs for Disadvantaged Children* (Washington: Council for Exceptional Children, 1968), p. 216.

[69]Lester Tarnopol, *Learning Disorders in Children* (Boston: Little Brown and Company, 1971), p. 65.

[70]J. Tizard, *The Mentally Handicapped and Their Families* (New York: Oxford University Press, 1962), p. 118.

TABLE 6

SPECIAL EDUCATION TRUST FUND 1974-75

1. Sales Tax	$279,983,954.32
2. Use Tax	37,595,689.80
3. Tobacco Tax	20,110,351.51
4. Hydroelectric Tax	626,395.89
5. Iron Ore Tonnage Tax	1,146.51
6. Telephone Co. Tax	3,119,180.42
7. Store License	270,407.47
8. Express Co. Tax	1,161.10
9. Income Tax	233,987,036.03
10. Lodgings Tax	2,184,243.72
11. Insurance Premium Tax	6,161,969.88
12. Utility Tax	47,396,506.66
13. Employee Cost from Federal Funds	7,621,857.60
14. Railroad Co. Tax	290,198.85
15. Leasing Tax	7,866,638.67
16. Beer Tax	11,088,326.37
17. Miscellaneous Receipts	1,016,881.66
Total	**$659,321,946.46**

SOURCE: State Department of Education, *Annual Report, 1975*, p. 26.

Tax equity has been consistently a part of the fiscal considerations in the funding of education in Alabama. As early as 1868, the Alabama Constitution provided in Article XI, Section 11, that " . . . one-fifth of the annual aggregate revenue of the state shall be devoted exclusively to the maintenance of public schools." The Constitution of 1901 provided for a source of revenue to finance education within the State in Article XIV, Section 260, as follows:

> Together with a special annual tax of thirty cents on each one hundred dollars of taxable property in the state which the legislature shall levy, shall be applied to the support and maintenance of the public schools . . .[71]

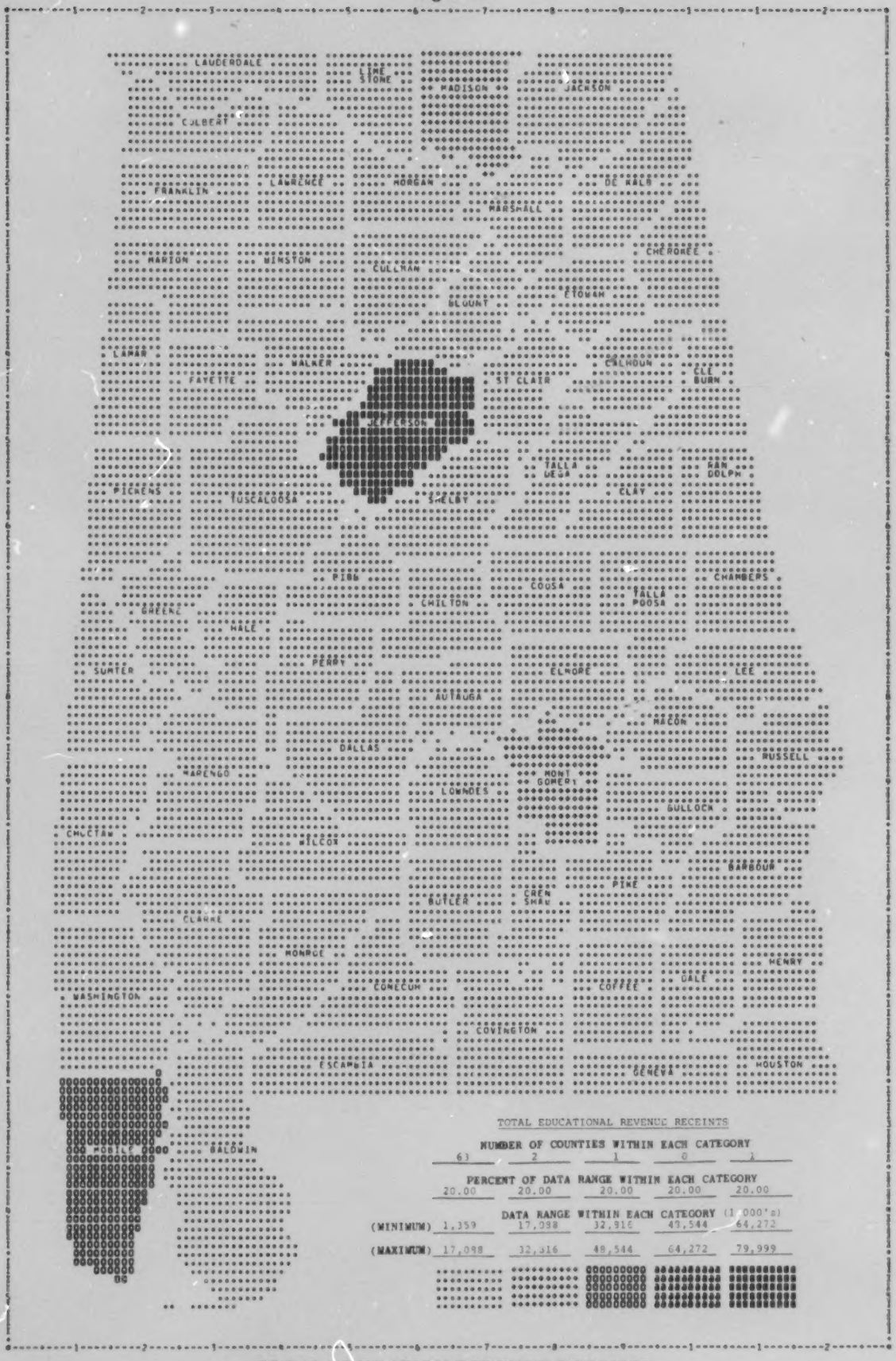
The Special Education Trust Fund, previously discussed, provides approximately ninety-six percent of State funds for education in Alabama and is dependent upon fifteen earmarked taxes. Table 6 contains each of these revenue sources (items 13 and 14 not included) and their contributing amounts for 1974-75. About eighty percent of the revenues from these taxes which constitute the Special Education Trust Fund are derived from the sales and the income taxes. Of the remaining twenty percent, a larger portion is derived from the use tax and the tobacco tax.

From these revenue sources, the total educational receipts in Alabama in 1972-73 amounted to $437,947,282. The range of these receipts from counties was from $1,359,980 in Coosa County to $79,999,916 in Jefferson County. On a per person basis, that amounted to a range of from $98.66 per person in Chambers County to $218,57 per person in Greene County with Jefferson County residents having been moved in to thirty-fourth position within the State and Coosa County being moved up to rank fourty-two among the sixty-seven counties.

When viewed from a per student perspective, the amount of total State educational revenue from counties ranged from $438,75 per student in Autauga County to $786.29 per student in Greene County. The distribution of the total education revenue receipts in 1972-73 are presented in Figures 24 through 26.

At the local level, approximately sixty-two percent of school revenues is derived from the local property tax. This is in addition to the three-mill statewide property tax. Most of the remaining thirty-eight percent of local school revenues is derived from countywide sales and gasoline taxes.

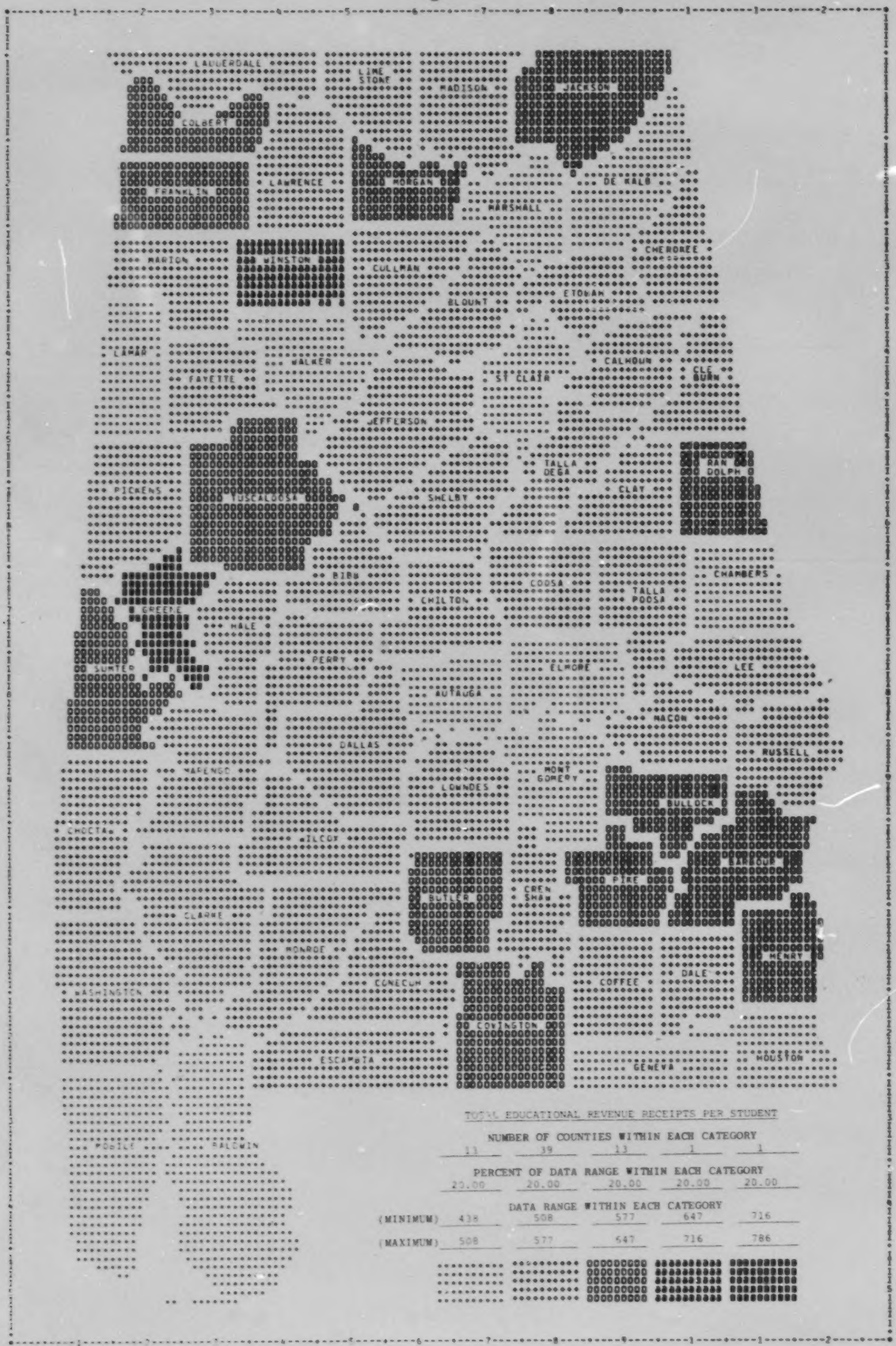
[71] *Alabama Constitution, 1901.*



TOTAL EDUCATION REVENUE RECEIPTS

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 25



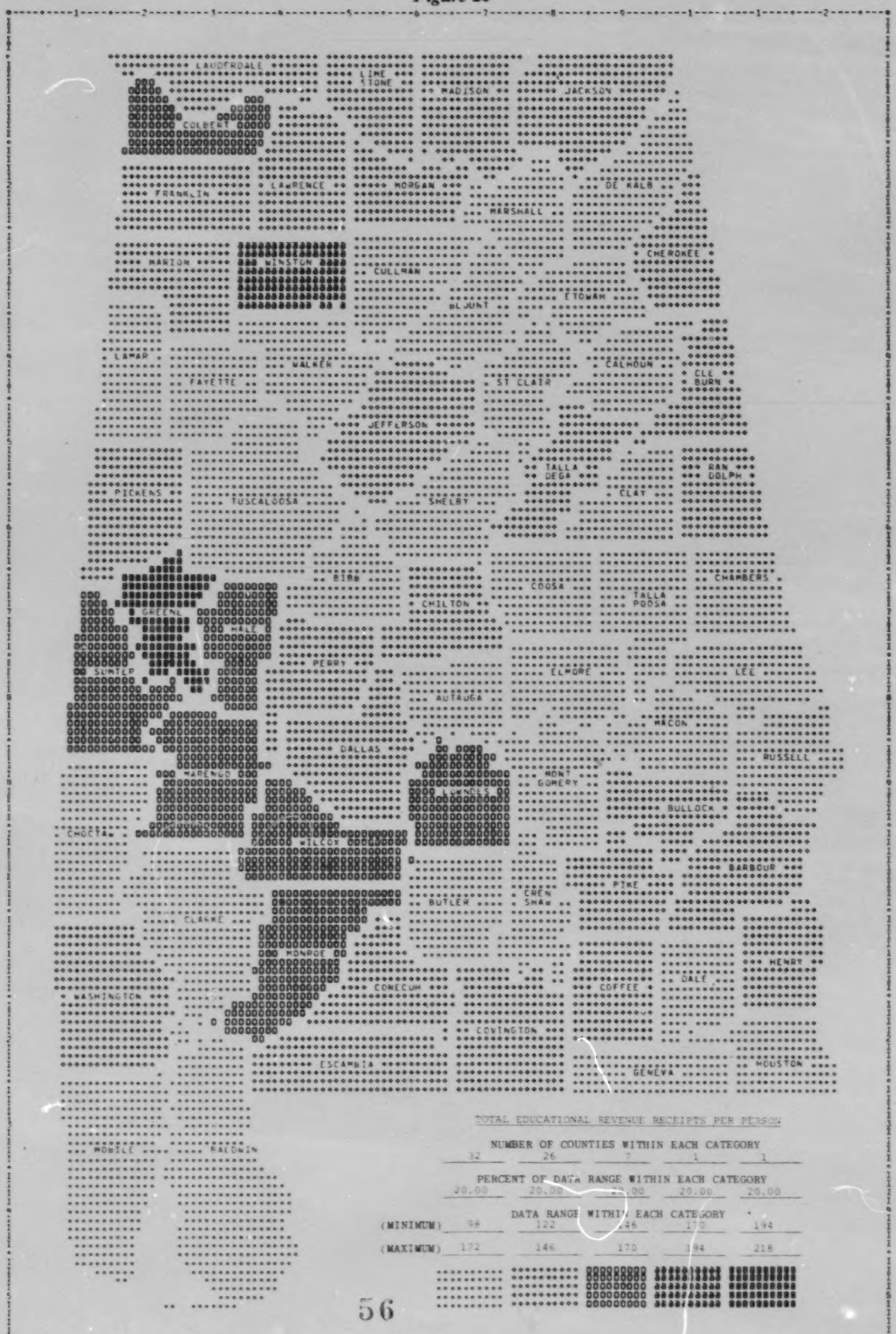
TOTAL EDUCATIONAL REVENUE RECEIPTS PER STUDENT

NUMBER OF COUNTIES WITHIN EACH CATEGORY	11	39	13	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	438	508	577	647	716
(MAXIMUM)	508	577	647	716	786

TOTAL EDUCATION REVENUE PER STUDENT

Sources of data used in all Demo Maps may be found in Appendix B.

Figure 26



TOTAL EDUCATIONAL REVENUE RECEIPTS PER PERSON

NUMBER OF COUNTIES WITHIN EACH CATEGORY	32	26	7	1	1
PERCENT OF DATA RANGE WITHIN EACH CATEGORY	20.00	20.00	20.00	20.00	20.00
DATA RANGE WITHIN EACH CATEGORY (MINIMUM)	98	122	146	170	194
DATA RANGE WITHIN EACH CATEGORY (MAXIMUM)	122	146	170	194	218

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TOTAL EDUCATION REVENUE RECEIPTS PER PERSON

Sources of data used in all Demo Maps may be found in Appendix B.

Teacher Allocation Formula in the Alabama Minimum Program

The following illustration of the allocation of public schools funds in Alabama is based largely on one source which does an exceptionally good job of the illustration of that procedure. That source is: *The ABC's of the Alabama Minimum Program*, published by the Alabama Education Association in 1976.

The initial step in the calculation of allocations under the Alabama Minimum Program involves a determination of the number of teachers to be funded under the Minimum Program. This is accomplished by grouping all of the schools in the local district according to their annual average daily attendance. The average daily attendance in a school system is divided by twenty-eight (one teacher unit) to determine the number of earned teacher units to be allocated to that system. In addition to all units earned in this manner, one extra unit, or fraction thereof, is provided for each fifteen earned units. These supportive units as well as all teacher units are assigned to the school where earned according to the Minimum Program mandates.

After calculating the number of teacher units allowed, the second step is the grouping of all of the teachers employed in the system according to the rank of certificate held. An example based on a county which was entitled to 137.36 teacher units, 15 illustrated in Table 7. This illustration is presented for clarification of salary cost calculation. If the county is entitled to 137.36 units, the next step is to multiply the number of teachers in each rank by the salary allottment for the rank. It is most important to remember that this is not a salary schedule. Additionally, a principals' supplements of $72.00 per allowable teacher unit is provided.

The salary allowance figures and the principals' supplement figures are those approved by the State Board of Education in regulations governing operations of the Minimum Program Law in a given academic year. The law also stipulates that "in the event more teachers are employed than the number allowed in the Minimum Program, the excess number of teachers will be dropped from the bottom ranks of salary allotments.

It is re-emphasized that the figures provided in the Table should not be construed as a salary schedule. These figures are used merely to determine the total salary allotment in the Minimum Program. The individual teacher's salary is determined by the employing board of education in accordance with the salary schedule for that school system.

Based on figures released September 26, 1975, reflecting final calculation of the Minimum Program, 1974-75, the salary allottments amounted to $261,414,197.18. In addition to teacher units allocated above, it is further provided that 300 additional regular teacher units shall be made available for allocation in grades 1-3 of the county and city school systems for the fiscal year ending September 30, 1976. It is the intent of the Legislature that priority be given to reduction of class size in grades 1-3. The Alabama Education Study Commission and the State Department of Education have the authority to insure that the intent of the Legislature is implemented. Any teacher units allocated under the provisions of this section are to be used in grades 1-3 unless the pupil-teacher ratio of 25:1 has already been achieved. In such event, the units may be used in grades 4-6.

In addition to all other teacher units allocated, it may further be provided that a given number of vocational agricultural teacher units and home economics teacher units be allocated to high schools. Table 8, illustrates the statewide calculation of the salary costs under the Minimum Program.

TABLE 7

CALCULATION OF SALARY COSTS FOR COUNTY X

Rank Certificate	Salary Allotment	Number of Teachers	Total Allotment
AA	$10,210	7	$ 71,470
I	9,610	20	861,640
II	8,285	104	861,640
III	6,691	5	33,455
IV	5,642	1.36	7,673
Total		**137.36**	**$1,166,438**
Additional for Principals' Supplement ($72.00 per the allowable teacher unit per year)		137.36 × $72 =	9,890
Grand Total Salary Allotment			$1,176,328

Transportation Costs and the Minimum Program Calculations

The second cost category is that of transportation expenses. Allowable transportation costs in the sixty-seven counties of Alabama are based on actual costs in the counties related to the density of population. The steps in calculation include:

1. Determination of the actual per pupil per day cost for transportation in each community in the State.

   This is done by taking the cost of transportation as determined from the annual report sent to the State Department of Education and dividing this amount by the average daily attendance of transported pupils. This gives the actual per-pupil per-year cost which is converted to a daily cost by dividing by the number of days in the school year. For example, suppose School System X spent $100,000 for transportation, had 5,000 ADA transported pupils, and operated school 175 days. Then $100,000 divided by (5,000 x 175) would equal 11.43 cents per pupil per day.

2. Determination of the transportation density for each county in the State.

   This is done by dividing the average daily attendance of transported pupils by the net transportation area of the county expressed in square miles. For example, if school system X had an ADA of 5,000 transported pupils and County X had an area of 1,000 square miles, then 5,000 divided by 1,000 would give a density of 5 pupils per square mile.

Arrange the sixty-seven counties in eleven density groups and calculate the average per pupil per day cost for each density group. Table 19 exemplifies the procedure. It notes the density groups, the actual cost per pupil per day, and the average cost.

The data shown in Table 19 form the basis for the three final steps in the transportation formula. Figure 27 demonstrates the application of steps 4 and 5 in the formula.

TABLE 8

STATE TOTAL
CALCULATION OF SALARY COSTS
1974-75

Rank Certificate	Salary Allotment	Number of Teachers	Total Allotment
AA	$10,210	834.02	$ 8,515,344.20
I	9,610	9,908.13	95,217,129.30
II	8,285	18,769.93	155,732,565.05
III	6,691	11.16	74,671.56
IV	5,642	1.48	8,350.16
Total		**29,551.72**	**$259,458,060.27**
Additional for Principals' Supplements (29,501.72 × $72.00)*	=		2,124,123.84
Grand Total Calculated Salary Excluding Deductions			$261,672,184.11
Less: Salaries Not Paid			-30,181.93
Less: Penalty for Provisional and Out-of-Field Certificates			-227,805.00
New Figure Representing the Grand Total Salarmes Paid			$261,414,197.18

*Principals' Supplement and Capital Outlay are paid on total calculated teacher units minus 550.00/teacher units for homebound, hospital, and clinic units.

4. Using the average cost per pupil per day as the ordinate and the density of pupils as the abscissa, plot the average cost per pupil per day in each density group. In simple language, this means, using the horizontal axis for density and the vertical axis for cost, plot the eleven averages obtained in step 3.
5. After plotting the eleven averages for the eleven density groups, determine the curve of best fit. This may be done by placing an irregular drafting curve on the graph and adjusting the curve to a position such that as many points fall above the curve as below it.
6. From the curve of best fit determine the allowable cost per pupil per day for each county. In actual practice this is done by developing a prediction of cost table . . . which, at a glance, shows the allowable per pupil per day cost by tenths of densities. Such a table is illustrated in Table 10.

Each calculation may now be applied to a specific situation, thus deriving the net annual allowable cost for transportation.

An example is provided below:

1. Average Daily Attendance of transported pupils 2,352
2. Net transportation area expressed in square miles 588
3. Transportation density (Item 1 divided by Item 2) 4.0
4. Predicted cost per pupil per day (From curve of best fit) $0.2276
5. Daily allowable cost (2,352 x $.2276) $535.31
6. Annual allowable cost (535.31 x 175 days) $93,679.00

This final figure is the amount a particular school system will receive from the Minimum Program for transportation expenses for the period covered.

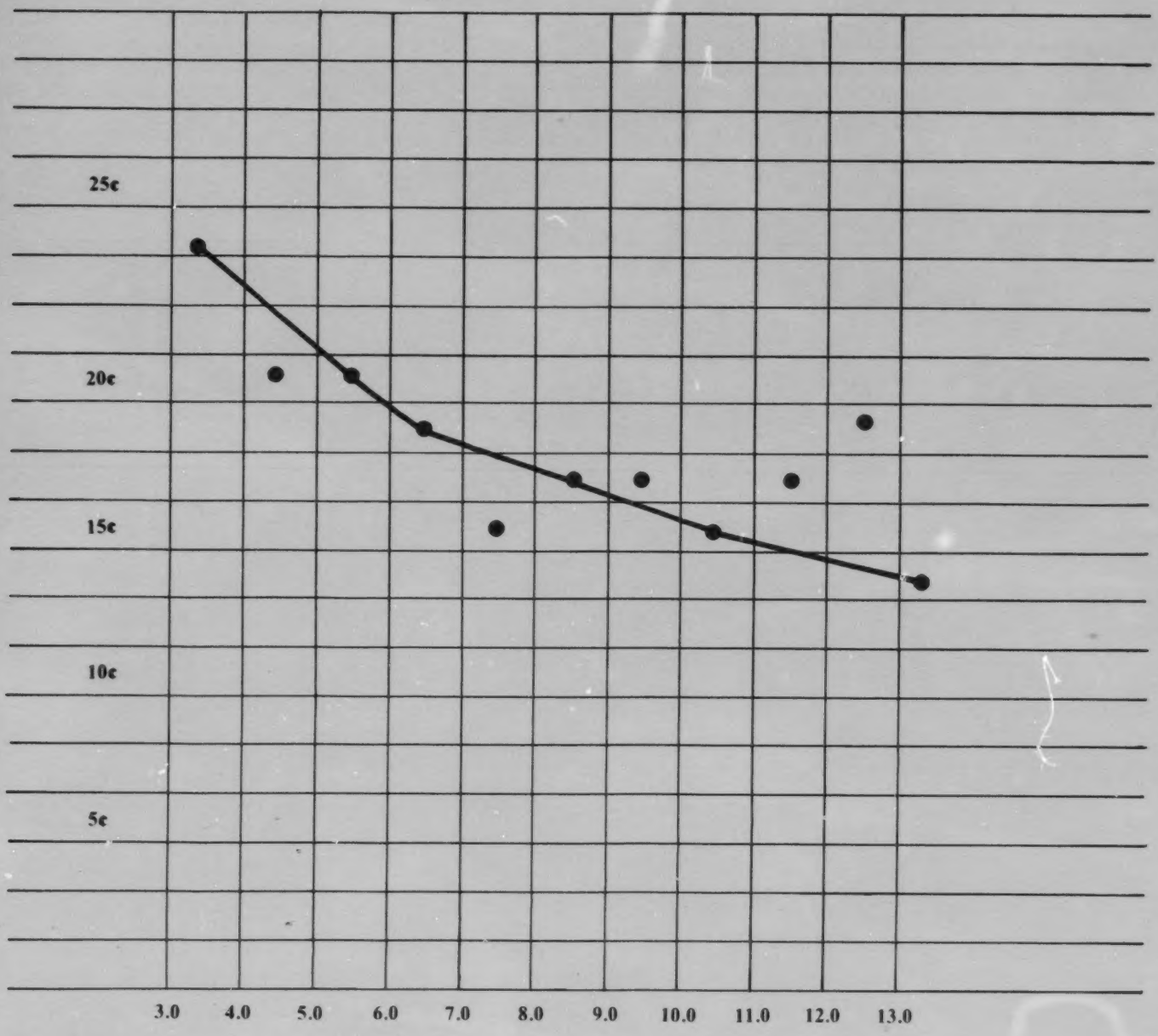
TABLE 9

TRANSPORTATION EXPERIENCE TABLE

Density Groups	3.00 3.99	4.00 4.99	5.00 5.99	6.00 6.99	7.00 7.99	8.00 8.99	9.00 9.99	10.00 10.99	11.00 11.99	12.00 12.99	13.00 13.99
Actual Cost Per Pupil Per Day	$.178	$.195	$.228	$.203	$.179	$.203	$.140	$.149	$.155	$.191	$.136
	.254	.214	.184	.187	.135	.173	.172	.174	.164		.122
	.213	.255	.199	.228	.225	.139	.177	.153	.189		.119
	.218	.250	.201	.199	.147		.177				.169
	.257	.262	.171	.153	.099						.163
	.286	.138	.162	.179	.199						.163
	.204	.261	.250	.215							.130
	.221	.195	.232	.192							.138
	.255	.227		.195							
	.257	.124									
		.160									
		.208									
Total	$2.343	$2.489	$1.627	$1.751	$.984	$.515	$.666	$.476	$.508	$.191	$1.140
Number of Cases	10	12	8	9	6	3	4	3	3	1	8
Average Cost	$.234	$.207	$.203	$.195	$.164	$.172	$.167	$.159	$.169	$.191	$.143

Figure 27

TRANSPORTATION COST CURVE



Other Current Expenses and Minimum Program

The area of "Other Current Expense" includes the cost factors of General Control, Operation and Maintenance of Plant, and Fixed Charges. This part of the allowable cost of the Minimum Program is based altogether on the number of allowable teacher units. Having determined the number of teacher units to be allowd, simply multiply this value by the allotment per unit as established by the State Board of Education. Using the 137.36 number of allowable teacher units and an allotment of $1,543.43 per teacher unit, allowable cost for Other Current Expense would be $212,006 for the hypothetical school system.

TABLE 10
PREDICTION OF TRANSPORTATION COST

Density	Predicted Cost	Density	Predicted Cost	Density	Predicted Cost
3.50	$.2340	5.90	$.2002	8.30	$.1757
3.60	.2337	6.00	.1990	8.40	.1749
3.70	.2322	6.10	.1978	8.50	.1740
3.80	.2307	6.20	.1966	8.60	.1731
3.90	.2291	6.30	.1954	8.70	.1772
4.00	.2276	6.40	.1942	8.80	.1713
4.10	.2261	6.50	.1930	8.90	.1704
4.20	.2246	6.60	.1920	9.00	.1695
4.30	.2231	6.70	.1909	9.10	.1686
4.40	.2215	6.80	.1899	9.20	.1677
4.50	.2200	6.90	.1888	9.30	.1668
4.60	.2184	7.00	.1878	9.40	.1659
4.70	.2170	7.10	.1867	9.50	.1650
4.80	.2155	7.20	.1857	9.60	.1643
4.90	.2140	7.30	.1846	9.70	.1636
5.00	.2125	7.40	.1836	9.80	.1629
5.10	.2110	7.50	.1825	9.90	.1622
5.20	.2095	7.60	.1817	10.00	.1615
5.30	.2080	7.70	.1808	10.10	.1608
5.40	.2065	7.80	.1800	10.20	.1601
5.50	.2050	7.90	.1791	10.30	.1594
5.60	.2038	8.00	.1783	10.40	.1587
5.70	.2026	8.10	.1774	10.50	.1580
5.80	.2014	8.20	.1766	10.60	.1574
10.70	.1568	11.50	.1520	12.30	.1472
10.80	.1562	11.60	.1514	12.40	.1466
10.90	.1556	11.70	12.50	.1460	
11.00	.1550	11.80	.1502	12.60	.1454
11.10	.1544	11.90	.1496	12.70	.1448
11.20	.1538	12.00	.1490	12.80	.1442
11.30	.1532	12.10	.1484	12.90	.1436
11.40	.1526	12.20	.1478	13.00+	.1430

Capital Outlay Allotment and Minimum Program

This category includes any expenditure which increases the total assets of the school system. Examples of such would be the purchase of a school site, new buildings, new equipment and similar expenditures. However, the amount of money distributed for capital outlay under the Minimum Program is so small as to only provide for small purchases of equipment or minor renovations.

The allowable cost for capital outlay in the Minimum Program is determined in the same manner as the cost for other current expense. Having determined the number of teacher units to be allowed, simply multiply this number by the allotment per unit for capital outlay as fixed by the State Board of Education. Assume that the allotment per unit is $66.00. Thus, using the 137.36 allowable teacher units, the calculation would yield $9,066.00 as the allowable cost for Capital Outlay.

The total allowable cost for the Minimum Program in the district having 137.36 allowable units would be as follows (reflecting each item discussed):

Allowable Cost of Salaries, including Principals' Supplement	$1,176,328
Allowable Cost of Transportation	96,356
Allowable Cost of Other Current Expense	183,429
Allowable Cost of Capital Outlay	9,066
Total Allowable Cost of the Minimum Program for System X	$1,465,179

Table 11 illustrates the cost of the Minimum Program at the state level for 1974-75. It also reflects previous discussion and is included to provide a more thorough understanding of the total Minimum Program as operant in the State of Alabama.

Table 12 completes the analysis of the Alabama Minimum Program. It outlines the funds available for the support of elementary and secondary schools within the state in 1974-75. In examination of this Table, the low percentage of total funds from both the Public School Fund and local effort is clearly depicted.

Summary

In discussing the Alabama Minimum Program, an attempt was made to relate the various features of the Program to resource equity, local input equity, instructional cost, equity, and tax equity. Resource equity referred to the relationship among school districts in their ability to support public education. Local input equity related the ability of local school systems to support public education to the relative local effort exerted in order to arrive at a designated per-student expenditure level. Instructional cost equity was concerned with the differences in per pupil costs of education, variations in programs needed by pupils who differ in physical, mental, and cultural conditions, and those who differ in vocational needs. Tax equity was concerned with the range of alternatives available in the provision of needed resources for public education and the relative tax burden necessitated by each of these alternatives.

No attempt was made to assess the degree of equity provided through the Alabama Minimum Program. Findings were presented which illustrated the distribution pattern of various components of the Program using three different measures, viz., per county, per person, and per student. A wide range of disparities were shown to exist among the sixty-seven counties within the State which were related to each form of equity as defined. It was shown that, on the whole, the Alabama Minimum Program tends to be highly effective in equalizing the available resources among school systems within the State. By far, the least effective aspect of the Program was shown to exist in the area of instructional cost equity. The manner in which local ability is ascertained and the local effort requirement of school systems also seemed to demand some attention. The problems inherent in the latter consideration seemed to revolve around the extent to which Alabama moves toward full state funding of the public schools. If the State adopts a policy of requiring more local effort to support the Minimum Program, then the measure of local ability should be reexamined. If the Legislature does not increase the required local tax effort, the methods used in measuring local ability are inconseqential because the present required local effort is only about 3 percent of the cost of the Alabama Minimum Program.

TABLE 11

FINAL CALCULATION OF MINIMUM PROGRAM COSTS 1974-75

Item	Cost
Teachers' Salaries	$259,548,060.27
Principals' Supplement[a] (29,501.72 units × $72.000	2,124,123.84
Total Calculated Salaries	**$261,672,184.11**
Less: Salaries Not Paid	-30,181.93
Penalty for Provisional and Out-of-Field Certificates	-227,805.00
Salaries Paid	$261,414,197.18
Transportation	17,866,490.00
Capital Outlay (29,501.72 × $66.27027170)	1,955,087.00
Other Current Expenses (50.00 × $400 and 29,501.72 × $1,471.443017	44,430,099.88
Total Minimum Program Costs	**$324,665,874.08**

[a]Principals' Supplement and Capital Outlay are paid on the total calculated teacher units minum $50.00 teacher units for homebound, hospital, and clinical units.

TABLE 12

FINAL CALCULATION OF MINIMUM PROGRAM FUNDS AVAILABLE — 1974-75

Source of Revenue	Amount
Minimum Program Fund Regular = $306,682,863.00 Conditional = 5,000,000.00	$311,682,863.00
Public School Fund	16,210,000.00
Local Effort	4,676,485.00
Total Funds Available	**$332,569,348.00**
Less: Sick Leave	-3,051,620.68
Personal Leave: Used = $737,066.70 Not Used = **$12,933.30**	-750,000.00
Insurance: Used = $3,460,161.85 Not Used = **$553,112.15**	-4,013,274.00
Board of Adjustment Awards	-88,579.26
Apportionable Funds	$324,665,874.06

Apportionable Funds = $324,665,874.06
Minimum Program Costs = $324,665,874.06

PART 4
SOME TRENDS IN SCHOOL FINANCE REFORM

Both educators and lay people frequently attribute the recent changes which have been made in school finance to recent judicial action. While court cases may have provided the needed impetus, the role of governors, legislators, educators and concerned citizens should not be minimized. Because of the pressures brought to bear from citizens to provide a more equitable school finance system, most states have instituted commissions to study their individual school finance systems. These commissions were charged with making recommendations to improve school funding methods. They used school finance scholars to oversee the research efforts and to provide technical advice[72]. They also assisted the general public, educators, legislators, and executives of government in the development of a keener awareness of the problems in school finance systems. This awareness combined with the desire of the legislative and executive branches of government have enabled legislators to make some important school finance reforms.

More than ninety-nine commissions or committees had been organized by 1972 to study school finance systems in many states[73]. A synopsis of some recommendations, or guidelines, which were fairly consistent among these commissions and committees is provided in Table 13. Each of these guidelines has received, in varying degrees, support from state legislatures and from the courts. Because of their origins, these guidelines also have been supported by the lay public.

Generally, changes in school finance laws have received widespread support. Following *Serrano*, for example, the National Legislative Conference Special Commission on School Finance recommended that:

> States could assume responsibility for seeing that elementary and secondary schools are funded properly, and that the "equal opportunity" responsibility enunciated in *Serrano* be accepted, regardless of the outcome in the courts, because the *Serrano* principal is right.[74]

More recent, 1976, legislative support for school finance was provided by the National Conference of State Legislatures. Speaking for that Conference, its President, Representative Tom Jensen said:

> School finance reform is a continuing responsibility for all State Legislatures. Fair educational funding policies are essential if all children are to be provided with an equal educational opportunity and if the fiscal burdens for funding education are to be fairly apportioned among local taxpayers. Constitutional mandates, popular opinion, and a genuine concern for the disadvantaged require that states meet these goals in their school finance policies.[75]

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[72]See, for example: Manley Fleishmann, Chairman, *The Fleishmann Report on Quality, Cost, and Financing of Elementary Education* (New York: Viking Press, 1973); Charles Benson, *Final Report to the California State Select Committee on School District Finance* (Sacramento: California Office of State Printing, 1971); or Roe L. Johns, Kern Alexander, and K. Forbis Jordan, *Financing the Public Schools of Delaware* (Gainesville, FL; National Educational Finance Project, 1973).

[73]Russell B. Vlaanderen, Research Brief No. 1, Survey of School Study Commissions and Committees, The Education Commission of the States, June 1, 1972, pp. 1-18.

[74] , *A Legislator's Guide to School Finance*. Committee on School Finance (Denver: The Education Commission of the STates, 1972), p. vi.

[75]John J. Callahan and William H. Wilken, (ed) *School Finance Reform: A Legislator's Handbook* (Washington: The National Conference of State Legislatures, 1976), p. iii.

TABLE 13
MODEL THROUGH WHICH TO VIEW SCHOOL FINANCE REFORMS

Guideline	Clarification of Guideline	Origin of Support
New school finance law should be fiscally neutral.	There should be an equal availability of taxable resources per pupil.	This guideline received the unanimous endorsement of the commission reports and the courts.
New school finance law should provide for variations to exist in the expenditure per pupil.	The state in its subventions and the local district in its expenditures should provide different resources to meet different needs of children.	This guideline received unanimous support from the commission reports and a heavy emphasis from the courts.
New school finance law should eliminate or greatly reduce local initiative required or permitted.	The amount of revenue raised by the local referendum to enable the school district to increase its expenditure should be curtailed or eliminated.	This guideline received heavy emphasis from the commission reports, but is loosely related to guidelines four and five, which both received heavy emphasis from the courts.
New school finance law should provide for the equalization of local revenue.	Equal tax efforts among districts should permit equal expenditures per pupil.	This guideline received heavy emphasis from both the commission reports and the courts.
New school finance law should fully fund the school finance model enacted by the state.	All revenue for the support of the schools should be raised by the legislature and not by the local school district.	This guideline received emphasis from the commission reports and moderate support from the courts.

SOURCE: Robert J. Wynkoop, "Trends in School Finance Reform" *Phi Delta Kappan*, April 1975, pp. 542-546.

Support indicated by legislative leaders combined with the extent to which state legislatures have positively endorsed school finance reform legislation seem to attest to a high degree of endorsement at that level.

Various models have been used to reform school finance systems. None of these should be viewed as a stock approach to instant reform. Rather, each state should examine its school finance measure, explore the various approaches and eclectically arrive at the solution most appropriate in resolving the problems of the individual state. With this awareness, this section will: (1) generally describe some recent trends in school finance reform which are related to local effort and ability, (2) summarily present the essential features of school finance programs in the fifty states in 1975-76, (3) present a synopsis of recent school finance reforms, and (4) outline the essential features of the Kansas and Florida systems.

Recent School Finance Reform as Related to Local Ability and Effort

Several alternative approaches have been advanced for removing inequities in resources for the support of public education. Two general types of reform have dominated the reform movement: the uniform expenditure approach, (e.g. full state assumption), and the equal yield for equal effort approach, (e.g., district power equalization). Under the uniform expenditure approach, equal amounts are made available for spending on each student within the state through the basic aid program. That amount is determined at the state level, based on what is considered to be the minimum acceptable level of education which is consistent with available revenues for education throughout the state. Special needs are treated separately either through categorical grants or through the use of a weighting process. Under the equal yield for equal effort approach, local school districts would retain the power to influence spending levels. Two districts choosing the same local school tax rate, however, would receive the same amount of general revenues per student. Pure district power equalizing might be modified to incorporate a floor and a ceiling on expenditures. Additionally, special provisions might be incorporated for special needs.[76] Both of these school finance plans seem to offer great prospects for the development of more equitable school finance systems in the various states. Neither of these plans was devised to dissolve the resource variations which exist among local school systems within a state. What each does more effectively, however, is to place more of the responsibility for financing education on state resources, less on local property tax revenue. According to the estimates of the National Education Association, 43 percent of all revenues for the public schools in 1973-74 came from state governments[77]. This was due largely to the implementation of these schemes. An increasing amount of this state aid was distributed inversely to local wealth, serving to partially equalize the distribution of resources for education.

Recent state school finance reforms have imposed tax ceilings at the local level designed to hold education spending levels down in wealthy districts while poorer districts catch up as a result of increased state aid. The result has been greater equalization of spending capacity for individual school districts.

Many states now rebate part of the property tax payments made by elderly low-income homeowners through the use of what is called a "circuit breaker". This approach reduces the regressive nature of the tax. Some state circuit breaker laws include low-income renters, making the tax even less regressive for a larger number of citizens.

Each of these approaches usually requires that the state will assume a greater share of the total costs for education, and additional responsibility for the raising and distribution of education revenues. States that have undertaken school finance reform recently have used the yield from the automatic growth in their taxes, accumulated surpluses and general revenue sharing payments rather than higher tax rates or new state tax enactments. The Advisory Commission on Intergovernmental Relations has recommended that state governments, as a basic objective of long range state-local fiscal policy, assume substantially all responsibility for financing the local schools. That Commission also provided guidelines for developing a high quality state-local fiscal system:

1. The personal income tax, in the interest of greater taxpayer equity and greater fiscal responsiveness to economic fluctualtion, should be the major state tax instrument - capable of producing 25 percent of all state revenue.
2. The general sales tax, with exemptions for food and drugs, should be the other major tax instrument, providing between 20 and 25 percent of all state-local revenue. It should be broadened to include services, which become increasingly important as income increases, to reduce its regressivity.
3. The local property tax should continue to serve as the major tax instrument of local governments. Appropriate provision should be made to guarantee uniformity. in assessment practices, and a circuit breaker should be financed by the state to reduce the regressivity of the tax. It should be capable of providing 20 to 30 percent of all state-local revenue.[78]

What has been implied up to this point is that little effort has been made in recent years to refine the measures of local effort and ability to support public education. The fact that variations in ability and effort exist among states, regions, and school districts in the United States has been demonstrated so frequently that it hardly needs repeating. Variations in fiscal capacity among school districts are greater than the variations in fiscal capacity which exist among states. Perhaps the most recent and comprehensive demonstration of the existence of these variations was presented in a study conducted in 1970 for the National Educational Finance Project by Rossmiller, Hale and Frohreich. That study utilized a sample of 223 school districts drawn from eight states to study the fiscal capacity and effort of school districts. It included representation from seven categories of school districts: major urban core cities, minor urban core cities, independent cities, established suburbs, developing suburbs, small cities, and small towns. Data concerning revenues and expenditures of school districts, as well as data concerning the market value of property, personal income and retail sales in each of the school districts were obtained. Rosmiller and his colleagues found no significant variations between the seven categories of school districts they studied when fiscal capacity was measured by the market value of property per pupil in average daily membership. Likewise, there was no significant variation among the seven categories in property tax rates. Revenue from property taxes per pupil in ADM was not a major contributor to the variations between the categories of school districts except in the comparison of school districts in developing suburbs as compared with the small city.

[76]The National Center for Educational Statistics, Education Division, U.S. Department of Health, Education, and Welfare, *The Conditions of Education - 1975* (Washington, D.C.: U.S. Government Printing Office, 1975), P. 37.

[77] *Financial Status of the Public Schools, 1974* (Washington, D.C.: National Education Association) p.4.

[78]*Advisory Commission on Intergovernmental Relations, Federal-State-Local Finances: Significant Features of Fiscal Federalism, 1973-74.* (Washington, D.C.: The Commission) pp. 1-4.

It was revealed, however, in the study by Rosmiller, *et.al*, that if indices of consumption and income - such as retail sales or effective buying income - are applied as the criteria for judging fiscal equity, then it is noteworthy that marked differences were found between several of the categories of school districts with regard to both their fiscal capacity and their sources of revenue[79].

As a practical matter, of the three measures of the local ability and local effort of school districts, these governmental subdivisions are virtually limited to the property tax. In many states school districts have no authority to tax anything other than property. Authorization was granted for school district use of nonproperty taxes in only 22 states in 1969. Even in those instances, the amount of revenue derived from such taxes was generally small and expensive to collect. More importantly, research conducted by the National Education Finance Project has indicated that revenue from nonproperty taxes levied by school districts does not have an equalizing effect. In fact, nonproperty taxes are disequalizing in that those districts which have the greatest fiscal capacity as measured by their property tax base almost invariably obtain the largest amount of revenues from nonproperty taxes. Thus, the use of local nonproperty tax levies tends to increase the revenue disparities among school districts rather than to equalize their fiscal capacity[80].

Recent trends in school finance have, therefore, accepted the findings of studies which have established beyond dispute the causes of variations in local ability and local effort among the school districts of a state. Legislators are now seeking to remedy these disparities, with the realization that:

1. Education is a state function;
2. The state creates local school districts and delegates to them authority to operate educational programs and to levy taxes for the support of these programs;
3. A state aid system which recognizes only those variations in fiscal capacity which arise from the distribution of property within a state and ignores the variations in fiscal capacity which arise from the distribution of income within the state has virtually guaranteed the continuance of inequities in fiscal capacity and tax effort at the local level;
4. Only by tapping the total fiscal capacity of the state with a tax structure and allocation plan which integrates state and local efforts in a manner which assures to all school districts of the state reasonable equality of access to the total financial resources of the state can equity in fiscal capacity and effort for the support of education be attained.[81]

Essential Features of School Finance Programs

As indicated in Table 14, most states have continued to use the property valuation per pupil as a measure of local ability. The results of this ability measure, as well as effort considerations, however, have been adjusted for in the distribution of state funds. Many states which have recently reformed their school finance systems have utilized per capita income to determine the level of per pupil funding. Other states have used sales ratios. Other factors have also been used to adjust for the variations in local ability.

Table 15 presents the principal features of the basic support programs for each of the fifty states in 1975-76. Also indicated in this table are the various ways in which states have accounted for variations in local ability and effort through distribution schema. These adjustment features are most readily observed in the way pupils are counted for state aid purposes (columns 1-3), and the use of guaranteed variable dollar levels of state support to school districts, (columns 7-9).

Table 16 provides a summary of state aid for local school districts, classified by purpose for 1975-76. In reviewing this table for adjustments made to account for variations in local ability and effort as related to need, it is especially important to observe the levels of pupil targeted instructional aid and adjustments made for district characteristics.

Synopsis of Recent School Finance Reforms

Observation of Table 14 and Table 15 revealed a number of similarities among recently enacted school aid bills which may be viewed as trends in school finance reform. Those trends are summarily listed below:

- In Alaska, Colorado, Florida, Massachusetts, Illinois, Kansas, Pennsylvania, Maine, New York, Michigan, Rhode Island, Montana, Vermont, Utah, Iowa, Georgia, Oklahoma, Ohio, New Jersey and Wisconsin the revised state aid programs distribute state aid on the basis of district power equalizing (DPE) formulae applied to varying degrees. This method of distributing state aid provides that equal tax rates among districts will be made to generate equal tax yields, irrespective of the wealth of the district. This development marked a departure from previous reliance on foundation programs and flat grants.
- Power equalizing formulae were extended to include capital outlay aid in Utah and Michigan.
- Florida, Maine, Montana, and Utah enacted school aid bills which provided high levels of non-matching aid -- cannot vary from district to district except as measures of educational need vary -- along with much smaller amounts of matching aid under percentage equalizing formulae. Such a plan tends to greatly reduce intra-state variations in school resources because of the limitations placed on per pupil revenues.
- In all state school aid enactments reformed in recent years, direct restrictions on tax rates or revenue levels have been imposed. In most cases, these have taken the form of ceilings on permissible tax rates or revenue levels, but several of the new reform measures constrain the rates of growth of revenues.
- In each state that has enacted school finance reform measures, save-harmless clauses or minimum state grants have ensured that state aid will be non-negative. In Maine the equalizing provision is subject to recapture -- requiring wealthy districts to remit revenues to the state for increases in expenditure. The Wisconsin legislation provided for recapture in the future.
- Florida, Kansas, Maine, Montana and Utah have effectively legislated state property taxes, by requiring

[79]Richard A. Rosmiller, James A. Hale and Lloyd E. Frohreich, Fiscal Capacity and Educational Finance: Variations Among States, School Districts and Municipalities, NEFP Special Study No. 10 (Madison, Wisc.: University of Wisconsin, 1970).

[80]Duane O. Moore, "Local Nonproperty Taxes for Schools", in *Status and Impact of Educational Finance Programs*, eds. R.L. Johns, Kern Alexander and Dewey H. Itallar (Gainesville, Fla: National Educational Finance Project, 1971) pp. 209-221.

[81]Roe L. Johns and Kern Alexander, *Alternative Programs for Financing Education*, Vol. V (Gainesville Fla: National Educational Finance Project, 1971), pp. 100-101.

TABLE 14

MEASURES OF LOCAL ABILITY
1975-76

State	Measure of Local Ability to Support Schools
Alabama	Index of local ability, including sales tax auto license, valuation of public utilities, personal tax, value added by manufacturing, value of farm income.
Alaska	Property valuation per pupil.
Arizona	Property valuation.
Arkansas	Property valuation per pupil.
California	Property valuation per pupil.
Colorado	Property valuation per pupil.
Connecticut	Property valuation per capita modified by a median family income ratio.
Delaware	Property valuation per pupil.
Florida	Property valuation per pupil.
Georgia	Property valuation.
Hawaii	
Idaho	Property valuation per pupil.
Illinois	Property valuation per pupil.
Indiana	Property valuation per pupil.
Iowa	Property valuation per pupil.
Kansas	Property valuation and taxable income per pupil (averaged for most recent three years data available).
Kentucky	Property valuation per pupil.
Louisiana	Property valuation per pupil and other revenue.
Maine	Property valuation per pupil.
Maryland	Property valuation and taxable income per pupil.
Massachusetts	Property valuation per pupil.
Michigan	Property valuation per pupil.
Minnesota	Property valuation per pupil.
Mississippi	County index, including assessed valuation of public utilities, motor vehicle license receipts, value of farm products, personal income tax, employed workers, and sales tax.
Missouri	Property valuation per pupil.
Montana	Property valuation per pupil.
Nebraska	Property valuation per pupil.
Nevada	Property valuation per pupil.
New Hampshire	Property valuation per pupil.
New Jersey	Property valuation per pupil.
New Mexico	Property valuation per pupil.
New York	Property valuation per pupil.
North Carolina	No measure of local ability is used in State aid program.
North Dakota	Property Valuation per pupil.
Ohio	Property valuation per pupil.
Oklahoma	Property valuation per pupil.
Oregon	Property valuation per pupil.
Pennsylvania	Property valuation per pupil.
Rhode Island	Property valuation per pupil modified by a median family income ratio.
South Carolina	No measure of local ability is used in State aid program.
South Dakota	Property valuation per pupil.
Tennessee	Economic index, including percent of State motor vehicle registration fees, farm products sold, employed non-governmental workers and retail sales tax collection.
Texas	Property valuation per pupil.
Utah	Property valuation per pupil.
Vermont	Property valuation per pupil in ADM.
Virginia	Composite index including real property valuation, individual income and sales tax on both per pupil and per capita basis.
Washington	Property valuation per pupil.
West Virginia	Property valuation.
Wisconsin	Property valuation.
Wyoming	Property valuation.

Source: Advisory Commission on Intergovernmental Relations

TABLE 15

PRINCIPAL FEATURES OF THE BASIC SUPPORT PROGRAMS OF STATE SCHOOL AID, BY STATE, 1975-76

	Unit Calculation					Minimum	Variable Guarantee Program				
	Unweighted Pupils	Weighted Pupils		Instructional Units						Minimum Payment or	Guaranteed
		Broad[1] Categories	Specific Programs	Teacher[2]	Classroom	Foundation Program	Percentage Equalizing	Guaranteed Yield	Guaranteed Tax Base	Flat Grant Per Pupil	District Minimum
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Alabama				X		X					
Alaska					X		X				
Arizona					X					X	
Arkansas[3]				X						X	X
California				X		X				X	X
Colorado	X								X		X
Connecticut	X									X	
Delaware			X	X			X[4]			X	X
Florida			X			X					X
Georgia				X		X					
Hawaii	X									X	
Idaho		X				X					
Illinoia		X				X			X	X	X
Indiana			X			X					
Iowa			X			X				X	X
Kansas	X	X						X			
Kentucky		X	X	X		X				X	X
Louisiana			X	X		X					
Maine		X				X		X[4]			
Maryland	X					X					
Massachusetts	X						X				X
Michigan	X							X			
Minnesota		X				X					X
Mississippi				X		X					X
Missouri	X					X					
Montana		X				X		X[4]			
Nebraska		X				X				X	
Nevada		X			X	X					
New Hampshire		X				X				X	
New Jersey		X									X
New Mexico		X	X	X		X					
New York		X				X				X	X
North Carolina		X		X						X	
North Dakota		X				X					
Ohio	X							X			X
Oklahoma		X				X	X[4]			X	X
Oregon		X				X[4]				X	
Pennsylvania		X					X			X	X
Rhode Island	X						X				X
South Carolina			X	X						X	
Soutn Dakota		X			X	X				X	
Tennessee				X		X					
Texas		X		X		X					X
Utah		X	X			X					
Vermont	X						X			X	
Virginia		X			X	X					X
Washington		X				X					
West Virginia				X		X					
Wisconsin	X								X		
Wyoming					X	X					

[1]Weights may reflect grade levels, density, sparsity, incidence of poverty and broad program categories such as special education and vocational education. Pupil weights may also be adjusted for degree status and experience of teaching staff.
[2]Weights primarily reflect teacher degree status and experience. A State may also compensate for factors specified above.
[3]State also has a supplementary equalization program.
[4]This feature is part of the supplemental basic support program.
Source: Ester O. Tron, *Public School Finance Programs, 1975-76* (Washington, D.C.: U.S. Government Printing Office, 1976).

TABLE 16
STATE AID FOR LOCAL SCHOOL DISTRICTS, CLASSIFIED BY PURPOSE, 1975-76
(In millions of dollars)

State	Total	Basic Support Programs	Pupil Targeted Instructional Programs									Pupil Support Services					Staff	District Characteristics			Other	Capital Grants
			Special Education	Vocational Education	Driver Education	Compensatory Education	Bilingual-Bicultural	Migrant	Kindergarten	Adult Education	Other	Transportation	Health and Guidance	Materials and Media	Food Services	Other	Instructional Staff Support	Urban - Density	Sparsity	Other	Current Aid, n.e.c.	
Alabama	429.7	388.3	(11.6)*	28.9	4.7				0.5		0.8	(22.9)		6.5								(1.9)
Alaska	201.8	150.5										10.1								3.4	7.4	30.6
Arizona	146.6	115.4	20.5	3.0			0.9				1.0	5.5								0.4		
Arkansas	228.0	180.7	5.0	6.0					12.3	0.8		17.6	0.5	4.9								
California	2,413.8*	1,783.3	244.8		18.5	107.6	8.8		110.4			49.0	**	27.4	14.9						49.1	
Colorado	354.3	300.5	24.8	9.7			2.4	0.2			0.1	13.2							2.8	0.6		
Connecticut***	239.9	164.5	30.9	1.3	0.6	7.2				0.8	1.0	9.0	0.1	0.2	0.6				0.2		0.6	22.8
Delaware	165.2	107.6	(0.9)	(1.5)[b]								9.4									31.3[a]	16.8
Florida	1,524.d	1,101.9d	(140.7)bd		(234.7)bd						2.8	38.2	7.5	12.8	4.0	1.9						162.9
Georgia	599.5	490.4	(43.2)b	7.9		10.2			(6.1)			(31.3)	0.2	(10.4)	9.0		0.5				41.3[a]	33.9
Hawaii	274.0	130.6	9.2			9.9				2.5		6.7	12.7	12.6	19.8		5.1					64.9
Idaho	111.1	94.4	(9.0)	0.7	0.9							(6.2)									15.0[a]	
Illinois	1,950.7	1,176.6	120.3	16.4	10.0		9.3			7.2	3.2	44.1		**	11.4		0.2			0.1	189.7[a]	362.3
Indiana	509.9	439.6	(21.0)	(9.0)*		(3.0)*				3.4		18.8			2.0					0.2	3.0	43.0
Iowa	387.1	386.8*	(86.2)*	2.6				**			0.6*				2.0						3.7	1.5
Kansas	275.5	199.4	12.1	5.1	1.2							15.0			1.4					24.5		
Kentucky	370.7	358.9	(20.4)*	(7.3)*					(2.2)*			(27.2)		11.8								(50.4)
Louisiana	573.1	502.6	(37.4)b	(13.5)b	0.2				2.1	1.2	6.1	(53.6)		8.4	12.6					**	40.5[a]	
Maine	127.7	127.2	(8.4)	(4.6)								(16.0)							0.2		0.4	(27.4)
Maryland	560.7	265.8	43.9	0.9	3.0				0.7	0.4		46.9			4.0			(12.6)			102.7[a]	95.4
Massachusetts***	670.7	362.8	47.2	38.9			1.7				3.9	47.0			10.6						44.1	114.7
Michigan	1,127.0	902.5	94.8*	23.4*		25.5					2.2	62.8						(27.0)			1.9	32.6
Minnesota	830.7	587.3	38.6	13.7								62.3			1.5					133.8	2.6	
Mississippi	289.2	253.3	(8.0)*	(27.2)*b	0.4					**	2.6	(22.6)*	0.1	3.9	0.9					0.1		8.7
Missouri	442.6	346.5	32.6	16.1								28.0		16.5	2.5							0.5
Montana	145.8	140.2	(20.4)b	0.7	0.6							2.5			0.3					**	**	
Nebraska***	85.7	71.9	10.0	0.2	0.9	(1.6)					0.2	(2.1)								2.6		
Nevada	75.0		(8.1)									(3.7)										
New Hampshire	19.5	7.7	1.7	3.0	0.6						0.2				0.4					**	0.6	5.5
New Jersey	802.4	431.8	63.5	6.2						3.4	1.8	44.9		**	9.3					2.7	204.1	34.7
New Mexico	246.7	213.9																				
New York	3,027.8	2,830.6	68.5*	63.9*								(220.0)		40.0*	10.5*					(11.1)	14.3	(266.0)
North Carolina	814.0	735.0	(52.9)b	49.3	8.3							(50.5)b		(18.4)b			0.7					
North Dakota	90.6	83.1	3.6	3.9								(7.8)			(0.4)							
Ohio	1,075.7	671.6	121.5	113.5	9.3	33.5				5.1	1.9	55.7		2.2	5.2		9				48.4	7.0
Oklahoma	233.8	233.0	(12.1)b	(3.6)								(13.9)	0.8	5.0	1.2	**						0.1
Oregon	213.7	189.2	8.0		0.7	1.0						12.1									2.6	
Pennsylvania	1,681.5	1,240.1	120.6	30.2	4.2	1.6					15.8	89.9	13.6		5.8			(101.7)	(31.9)	(c)	0.4	159.9
Rhode Island	94.1	80.7	1.0	0.3		2.0									2.8							5.4
South Carolina	313.5	244.5	(1.4)b	13.7	0.7				8.1	2.1		17.6	0.3	3.0	0.9							19.1
South Dakota	32.9	30.8	0.9	0.8								(3.5)								0.5		
Tennessee	147.3	115.2	(38.5)	13.3								(13.8)		5.4								13.4
Texas	2,024.2d	1,986.3d	(209.9)d	(2.8)d	(25.4)	(6.2)			(63.9)d			(46.3)d		37.9					(5.4)d			
Utah	215.5	156.5	(19.2)	(8.0)b	0.9						3.4	7.1		2.2	3.0						38.1	3.6
Vermont	46.2	34.8	3.6	2.4	0.6																	4.5
Virginia	632.8	480.2	27.7	25.0	(1.7)	9.3				0.8		18.1			3.1		3.0				65.6[a]	
Washington	732.1	535.0	35.4	(45.3)b		5.0					4.4	30.2			3.8					49.0		61.5
West Virginia	257.6	242.9	4.2	7.1	0.2						**	(7.6)			0.9						2.3	
Wisconsin	560.8	487.0	47.4	3.4	0.9						4.0	14.6		2.1	1.3							
Wyoming***	29.9	26.2	(5.1)d					(1.8)d				(3.0)d								3.7		

NOTE: Figures in parentheses are included in the Basic Support Program, except as otherwise noted.

*Estimated.

**See program discription for amount.

***1974-75 distribution.

a. Includes employee benefits.

b. Also includes some categorical aid which is added separately in the State total. See State program description for amount.

Source: Ester O. Tron, *Public School Finance Programs, 1975-76.*

property taxes to be levied at specified rates regardless of the amount of state allocations to individual districts.

- In all recent state school enactments, the amount of state revenues were dramatically increased.
- Adjustments have been made according to prevailing concepts of educational need. Florida's bill included a correction for price differentials. Ohio, Illinois, Missouri, Nebraska, Ohio, New York and Pennsylvania have included aid for disadvantaged students in their school aid bills. Colorado, Maryland and Michigan have considered municipal overburden. Arizona, California, Colorado, Illinois, Louisiana, Massachusetts, Michigan, New Jersey, New York, New Mexico, Rhode Island and Texas provide increased funding for bilingual students. California, Connecticut, Hawaii, Michigan, Ohio, Oregon, Pennsylvania, Rhode Island, Texas, Utah, Virginia, Washington and Wisconsin provide for compensatory education.
- Florida, Utah and New Mexico have employed pupil weighting systems to adjust for high cost students.
- Rhode Island, Maryland, Kansas, Virginia and Connecticut have income adjustments built into the definition of district wealth in their general aid formulas. Other states have made adjustments for income by weighting the attendance count of Title I or AFDC pupils.

The items listed above provide some of the essential features of recently enacted school finance legislation in other states. There is no universally applicable formula for school finance reform. Many of the approaches employed in other states, however, may be appropriate for use in Alabama. A system-by-system analysis of the school finance problems of the State should precede the adoption of any method. Specific legislative enactments for two states, Florida and Kansas, are presented below for two reasons. First, some idea of the procedure used in effecting charge in school finance reform can be demonstrated in review of the Florida enactment. Second, Kansas employed many of the approaches discussed above. Presenting these approaches within the context of the total bill might prove to be helpful.

School Finance Reform in Florida

This section provides a description and analysis of the procedures employed in development of the "Florida School Finance Study," under the auspices of the Florida Citizens' Committee on Education. The Committee, appointed in the summer of 1971 by Governor Reuben Askew and funded by the Legislature, was charged with the responsibility of studying all levels of education and making recommendations for ways to improve schools. Twenty-two members, reflective of the diversity of Florida's citizenry, served on this Committee. The complete results of the Committee's efforts are best revealed by close examination of the final report, *Improving Education in Florida*, which includes the entire text of the "Florida School Finance Study."[82]

A Governor's Citizens' Subcommittee included business and civic leaders, a university student body president, a minister, a medical doctor, and six legislative leaders. The Chairman of this subcommittee on finance was a lawyer who had successfully represented several counties that challenged the use of property assessment ratios in state school finance formulae. Notably absent were professional educators, a factor the Governor said would prevent the Committee from being influenced by preconceived notions.

A Legislative Subcommittee was also formed, chaired by a former Speaker of the House of Representatives from a poor urban district who was committed to equalization of educational opportunities, the Subcommittee membership included the existing Speaker of the House (also from a poor urban district), the First Speaker who had previously served as Chairman of the House Education Committee, and Chairman of the House Subcommittee of Education Finance. A political minority person who was on the House Education Committee and two leading Senators rounded out this group.

At the beginning of the study in July 1972, a prominent group of national and state education finance experts were requested to serve in an advisory capacity to the finance study. The advisors included Dr. Roe L. Johns (National Education Finance Project); Dr. Alan Thomas (University of Chicago); Dr. Carl Blackwell (Florida Department of Administration); and Mr. Herman Myers (Florida Department of Education). Though this Advisory Council met formally only once, its contributions were of vital significance. Politically, the Advisory Council's recognized prominence in school finance added credibility to the finance study; and technically, the Council provided useful recommendations to the study team. Major analysis, findings and conclusions were reached, and communicated to the Advisory Council.[83]

The Advisory Council, at its meeting in January of 1973, actually reviewed the first full draft of the finance study. Based upon suggestions from the advisors, several changes, additions and a few deletions were incorporated into the study prior to submission to the total Citizens' Committee. The main areas investigated by the Committee involved in the finance study were: (a) the distribution of financial, resources (for both current operations and capital outlay) among school districts, and (b) the intradistrict distribution of resources.

The intent of the study was to provide equal amounts of dollars for students with similar characteristics (deaf, blind, disadvantaged, etc.). Generally, the objectives were to analyze the existing funding method and to design alternative methods of funding where needed. Specifically, the finance study was to analyze and make recommendations on:

1. The financial impact and consequences of the existing program for financing elementary and secondary education
2. Allocation of funds and educational resources within county school districts to assure intradistrict equity
3. Alternative plans for distributing school revenues, including current operating expenditures plus transportation, vocational education, education of migrants, and other special expenditure categories
4. Financing capital outlay
   Educational finance adjustments that should be made for urban areas, geographical differences in cost of living, incidence of low income families and similar equalization areas
6. Some selected issues for improved efficiency in school operations with particular emphasis on efficiency issues related to state school aid formulas and school-by-school performance
7. Improving the relationships between financing higher educatother levels of education.[84]

[82]Marshall A. Harris, et. al., *The Florida School Finance Study: A Technical Report to the Governor's Citizens' Committee on Education* (Tallahassee, Florida, 1973).

[83]Ibid.

Review of the Florida Minimum Foundation Program (MFP)

For purposes of this study, only a general overview of the finance program prior to passage of the 1973 legislation is given. The MFP was considered revolutionary for its day. When it was adopted in 1947, it moved Florida into a nationally prominent leadership role by establishing a statewide minimum level of expenditure to be accomplished by local effort and, if needed, supplemental state support. The decision to increase educational spending above that minimum level was left to the discretion of individual counties. Thus, the MFP assured no more than a minimum level of equality.

In 1970, legislation was passed which committed Florida to a policy of greater equalization. Essentially, this act mandated that the state begin to provide not just a *minimum* but a *quality* educational program by a more equitable allocation of state funds. The 1970 legislation mandated the counties to increase their minimum local effort from three mills for education to seven mills. Thus, a beginning was made at significantly equalizing each county's access to resources, regardless of property wealth. Yet this movement toward equalization was implemented on the basis of the MFP tradition, resulting in a minimum level of equalization. Because the methods of educational financing had not been revised since 1946, the MFP had become very complicated and difficult for many educators and most legislators to understand. An often-heard legislative description, according to one analyst, was that "The Minimum Foundation Program and related State funding formulas are an enigma filled with confusion, technical formulas, and excessive detail."[85]

In brief, the Legislators wanted a new funding formula; one which they could understand, explain, and moreover, one which would serve as a vehicle for effective policy-making. Thus the stage was set for the various recommendations relative to: (a) the concept of funding, (b) the minimum foundation program, (c) capital outlay, (d) compensatory education, (e) migrant education, (f) school transportation, (g) employee retirement matching, (h) financial accounting system, (i) property tax assessment, and (j) recommended further studies. It was recommended that, to the maximum extent possible, the Legislature should provide school funding through Minimum Foundation Program Grants to districts. But in those cases where the Legislature believed programs and personnel needs were of such importance that they required special-purpose appropriations, funds should be provided for a limited length of time as *seed monies* to be used during the developmental years of a program. Performance audits should be used to assess the effectiveness of these programs. Accordingly, if additional money was desired for the program, then these funds should be made a part of the MFP grant to each district. This recommendation implied the need for greater accountability in the State of Florida.

The Governor's Citizens' Committee on Education made the following recommendations to the Legislature, adopting the report of the Florida School Finance Study Subcommittee.

The Full-Time Equivalent Student System of Accounting

This recommendation urged the Legislature to compute entitlement of MFP money on the basis of *full-time equivalent* enrollemtn (FTE).

> For *each* program, the FTE would be the number of students enrolled in the program times the ratio of the numbers per week the student attends that program to the number of hours per week a full-time student at that grade level normally attends school.

Computation of FTE student enrollment in this way could be made during one week in the fall and one week in the spring thereby simplifying attendance accounting and eliminating the double-counting problem common under the average daily attendance accounting method.

The Student Cost Factor

The Committee recommended that the amount of money desired to be spent on each student be determined by a cost factor which, in essence, gave full credence to the belief that it costs more to educate some students than it costs to educate other students. The Committee recommended that the Department of Education and other researchers embark on a cost-effectiveness study to determine the best weights to use as factors and suggested that the MFP funds for each student might be calculated on the basis of the following cost factors:

Basic, Grades 1-12	1.0
Kindergarten	1.3
Physically Handicapped	1.8
Compensatory Education	1.5
Vocational Education	1.6

In this example, if a decision were made to spend $700 per FTE (1975 figure is $745) student in the basic program, then the amount spent for an FTE student in a kindergarten program would be $910 ($700 times a cost factor o 1.3). Similarly, the amount spent per FTE in a vocational program would be $1,120 ($700 times a cost factor of 1.6).

Compensatory Education

After recommending that the cost-effectiveness study be conducted to determine the most appropriate overall student cost factors, the Committee focused on disadvantaged children. The Committee recommended that the Legislature include an extra cost factor (additional funds) for compensatory education programs designed by the local districts. Relative to eligibility, the total number of compensatory students served in a school district should be equal to the number of children of school age in the district from families with incomes below the poverty level less the number being served by federal money.

Required Local Effort Recommendations

The Committee stressed its desire to move Florida into full compliance with the *Serrano* criterion by going to eight mills required local effort in 1974-75 on the full value of the previous year's non-exempt tax roll with two mills power equalized at the same rate. In subsequent years required local effort could be increased to nine or ten mills.

Recommendations Relative to Cost of Living Differentials

The differentials used were based on a study conducted under contract through the State University. In essence, this study showed the results of pricing an identical "market basket" of goods and services in twelve of Florida's sixty-seven counties.

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[84]Steven Mintz, "Analysis of State School Finance Reform Legislation in Florida, 1973," (Tallahassee, Florida, 1973).

[85]Clem Lausberg, "A Strategy for the 70's in Florida Public School Finance," (October, 1969), p.1.

This was considered a statistically representative sample. The counties were chosen in a manner to represent the entire range of different price levels in the state. Based on economic criteria, these measured prices were utilized to estimate the average price levels in the state. The "market basket" of goods and services was taken from the Orlando, Florida component of the National Consumer Price Index Series. An index indicating differentials in the average price level among the Florida counties was calculated from the prices obtained.

The items considered were food, housing, apparel, transportation, health-recreation and personal services. The "Final Adjusted Price Index Level" was based on results obtained from the "Unadjusted Price Level Index." Data presented in Table 17 illustrate the price level index for each county relative to the statewide average of 100. Using Dade County for example, the price level index is 110.33. This means that the cost of living for a person residing in Dade County in 1972 was 10.33 percent higher than the state average. It should be noted that a political decision resulted in the counties with an index (final adjusted price level) of 84.47 being merged into the group with an index of 90.99. This reduced the range to about twenty percent (90.99 to 110.33).

The base value recommended was the statewide average, thereby resulting in some districts being above and some below this base. This method was perceived as less costly, because the saving to the state realized from districts below the base value can be shifted to fund the additional costs of the indexes above the base value. This procedure was considered more expedient than making the lowest index the base value and adjusting all others upward. The latter approach would necessitate "new" funds.

Based on this information, the Florida School Finance Study and the Governor's Citizens' Committee recommended that the Legislature include a cost of living adjustment in its school funding formula. The allocation would take into account the increased costs of living in metropolitan areas.

TABLE 17

FINAL ADJUSTED PRICE LEVEL INDEX FOR ALL FLORIDA COUNTIES, 1972

(Statewide Average = 100)

1. Dade	110.33	35. Nassau	90.99
2. Broward	107.19	36. Putnam	90.99
3. Palm Beach	107.19	37. St. Lucie	90.99
4. Alachua	100.12	38. Suwannee	90.99
5. Collier	100.12	39. Taylor	90.99
6. Duval	100.12	40. Calhoun (84.47)	90.99
7. Leon	100.12	41. Charlotte (84.47)	90.99
8. Monroe	100.12	42. Citrus (84.47)	90.99
9. Orange	100.12	43. Dixie (84.47)	90.99
10. Pinellas	100.12	44. Franklin (84.47)	90.99
11. Sarasota	100.12	45. Gadsden (84.47)	90.99
12. Bay	96.05	46. Gilchrist (84.47)	90.99
13. Brevard	96.05	47. Glades (84.47)	90.99
14. Clay	96.05	48. Hamilton (84.47)	90.99
15. Escambia	96.05	49. Hardee (84.47)	90.99
16. Hillsborough	96.05	50. Hernando (84.47)	90.99
17. Okaloosa	96.05	51. Highlands (84.47)	90.99
18. Polk	96.05	52. Holmes (84.470	90.99
19. St Johns	96.05	53. Jackson (84.47)	90.99
20. Santa Rosa	96.05	54. Jefferson (84.47)	90.99
21. Seminole	96.05	55. Lafayette (84.47)	90.99
22. Volusia	96.05	56. Lee (84.47)	90.99
23. Baker	90.99	57. Levy (84.47)	90.99
24. Bradford	90.99	58. Liberty (84.47)	90.99
25. Columbia	90.99	59. Madison (84.47)	90.99
26. DeSoto	90.99	60. Okeechobee (84.47)	90.99
27. Flagler	90.99	61. Osceola (84.47)	90.99
28. Gulf	90.99	62. Pasco (84.47)	90.99
29. Hendry	90.99	63. Sumter (84.47)	90.99
30. Indian River	90.99	64. Union (84.47)	90.99
31. Lake	90.99	65. Wakulla (84.47)	90.99
32. Manatee	90.99	66. Walton (84.47)	90.99
33. Marion	90.99	67. Washington (84.47)	90.99
34. Martin	90.99		

Final Recommendation Relative to Minimum Foundation Program

The Governor's Citizens' Committee made the following summary statement relative to the Minimum Foundation Program:

> A district shall be entitled to the dollar value for each FTE student, less required local effort plus the amount guaranteed (power equalized) by the state on the ninth and tenth mills.

This was to be the only money the district would receive from the state for operating purposes, except for categorical grants and transportation. This MFP money may be spent in any legal way the district desires, with the proviso that in order to earn additional money for special programs, students must actually be enrolled in such a program. A hold harmless guarantee was recommended to insure that no district received less state operating money (including special-purpose grants and transportation) under this plan than it currently received.

The initial recommendations urged elimination of all local school taxes over ten mills for capital outlay expenditures. The Committee recommended adoption of legislation providing for the state to assume the entire approved cost of capital outlay projects for school districts or the entire cost of rental or leasing of facilities. Specific provisions for this payment would assure that:

1. The state would survey district facility needs for space as of some set date, such as 1977. The survey would take into account projected growth or decline in student enrollment and adequacy or obsolescence of existing facilities. The Department of Education's recently completed survey of this kind could be used to implement this program.
   (a) The state would establish standards for construction of various kinds of educational facilities and annually establish a cost per square foot for each kind of facility in a base county. The allowance for all counties would be adjusted by a cost of construction index.
   (b) Districts would apply for state money for a construction project or rental/lease agreement. If the project helps to meet district needs as disclosed in the state survey, it would be approved. Priority would be given to projects for districts where relative needs are greatest.

   The state would pay an amount equal to the state-established cost per square foot (adjusted for cost of construction) times the number of square feet of each type of facility to be constructed. The district could hire its own architect and construct buildings of its own design (subject to state fire, health and safety standards) and could spend more than the state allowance from its own operating funds if it wished. The state would provide standard plans for different types of facilities which districts could use if they wished. If they did so, the state would pay the full cost of construction of the facilities.
   (c) Because the cost of site acquisition and development varied so widely even within one district, purchase of school sites must have prior state approval. The state would pay the full cost of purchase and preparation of a state-approved site.
   (d) For districts which currently needed classroom space but would not need it in 1977 (because of declining enrollments), the state would consider providing relocatable classrooms. When they were no longer needed at one location, they could be moved to another district with temporary needs.
2. The state would assume the responsibility for retiring indebtedness (bonded), including State Board of Education bonds. Furthermore, allowed taxes over ten mills for capital outlay and debt service would be eliminated.

The Committee urged legislators to assign the responsibility for the delivery of educational services to migrant farm children and adults to the Department of Education. Migrant education would then be coordinated and funded entirely by the State. Actual teaching may be done in local school districts, by public or private firms under contract, or by state-paid teachers who travel with the migrant stream. Furthermore, the Committee recommended that the state collect more comprehensive data on migrant farm children and adults, including the actual number of migrant school-age children, ethnic composition of migrants, drop-out incidence, and intrastate movement of migrants.

The Citizen's Committee recommended that the Legislature eliminate the existing transportation formula in the Minimum Foundation Program. Instead, the state should pay the entire cost of operating an efficient transportation system. The State should use modern computer techniques to determine the most efficient routing of buses for each district and the number of buses needed. The cost of operating such a system should be calculated, and this should be the state allowance. Districts would be encouraged to use the most efficient routing as developed by the state but should not be required to do so. The state should also pay for the entire cost of needed school buses, including replacements for those that are no longer safe or serviceable. The state would be able to transfer such state-purchased buses from a district where the need for buses has decreased to a district which needed more buses.

The Committee recommended that the Legislature provide for the implementation of financial accounting systems in all school districts for uniform reporting of expenditure data. A summary of this financial information should be included in the Annual Report of School Progress at each school.

The Governor's Citizens' Committee recommended that the Legislature provide for the improvement of property tax assessment practices so that property could be assessed uniformly among counties and among classes of property within counties. Additionally, the punitive financial application of ratio studies toward school districts should be removed. A concluding recommendation stated that the Legislature should initiate a study on the implications of toally removing local property tax support for schools.

On January 10, 1973, the first full draft of the finance study was discussed at a meeting of the Advisory Council. Soon thereafter, a set of recommendations which closely resembled the material just discussed was enthusiastically approved by the Citizens' Committee and widely disseminated. While the full Citizens' Committee report was not printed and distributed until late March 1973, draft copies of the finance recommendations were made available to all members of the Legislature, school board members, district superintendents, and others, early in February, 1973. This allowed a period of almost two months prior to the beginning of the legislative session in April for Legislators and others to discuss, digest, and react to the recommendations.

Efforts to Obtain Consensus

From the distribution time forward, the objective was to obtain consensus among various groups such as special interest groups, the Legislature, and the general public. A statewide conference, jointly sponsored by the Florida League of Women Voters and a council of 100 leading businessmen, was held in Tampa to publicly discuss the recommendations. Key Legislators were invited to a panel discussion of the finance recommendations during the two-day conference along with members of the finance study team. Other conferences and

meetings were held around the State. Legislators told a superintendents' conference of the finance reform on the horizon. Newspaper and other media were supportive. A major milestone was reached when the School Boards Association and Florida Education Association both announced support of the proposed changes in school finance.

The Education Finance Committees of the two Houses of the Legislature formed a joint committee. They met in Gainesville to hear Drs. R. L. Johns, Kern Alexander, and K. Forbis Jordan report the findings and recommendations of the National Education Finance Project study in Florida. This group met a half dozen times in Tallahassee to hear the pros and cons from the Department of Education, to get advice from representatives of local school districts, and to draft bills.

These are but a sample of the many efforts to "market" the recommendations. Computerized data were prepared for use by the Legislators in such a manner that different sets of data relative to cost of living index, student cost factors, and similar variables could be made readily available during the "seemingly endless" sessions.

The House of Representatives and Senate adopted all but one of the recommendations by votes of 102 to 13 and 34 to 4 respectively. This wide margin of victory might suggest to those contemplating school finance reform measures in other states the vital importance of thorough organization, study, and salesmanship to effect adoption of proposed legislation.

The significant features which highlighted the revised Florida finance program included:

1. Substantially increased fiscal equalization
2. A systematic plan and substantial state committment to meet the needs for school facilities
3. Increased flexibility and responsibility of local school districts to innovate new programs
4. Simplified school funding
5. Disclosure of school spending through a comprehensive management information and cost-accounting system, including annual reporting of school and program-by-program requirements

Funding based on student cost was adopted. The instructional unit approach was abandoned by the Legislature in favor of the recommended Full Time Equivalent (FTE) student. The dollar value was equal to the cost factor of 1.0; a value of $587 was determined by allocating the "available" dollars among all the elements of State aid. Though the original figure appeared nowhere in the FEFP Act of 1973, it has since been legislated. By 1974-75, a base student cost of $745 per FTE student had been adopted.

The Florida Study Commission Subcommittee of the Governor's Citizens' Committee urged the Legislature to recognize the varying costs of providing needed services to students through appropriate programs. The FEFP not only recognized that it does indeed "cost more to educate some students than others, depending on the programs they are in," but also adhered to the policy of replicating the weightings of the MFP so that the year of transition to the new funding system would minimize fiscal disturbances. Cost factors adopted are shown in Table 18.

TABLE 18

STUDENT COST FACTORS*

Kindergarten	1.20
Grades 1-3	1.20
Grades4-10	1.00
Grades 11 and 12	1.10
Educable Mentally Retarded	2.30
Trainable Mentally Retarded	3.00
Physically Handicapped	3.50
Physical and Occupational Therapy	6.00
Speech Therapy	10.00
Deaf	4.00
Visually Handicapped	10.00
Emotionally Disturbed	3.50
Socially Maladjusted	2.30
Special Learning Disabilities	7.50
Gifted	3.00
Hospitalized and Homebound	15.00
Vocational Education	4.26
Adult Basic Education	1.60
Community Services	1.30

*This is not a complete list. There are two categories of visually handicapped, six of vocational education (I-VI), and two of special learning disabilities.

The FEFP Act of 1973 provided for a compensatory education supplement cost factor as recommended by the Citizens' Committee. The supplement was to be given to low income, low achieving students to broaden the coverage of eligible students under Title I and also to include those not being served by federal money. A policy decision placed the value of this supplement at five percent of the base student cost (.05 x $587) or $29.00 per eligible student.

Acting again on the Committee's recommendation, the Legislature passed a cost of living index identical to that given in the previous section. It specifically noted the setting of the index at 1.10 for Dade County and .91 for Gadsden County. The index is set relative to the base student cost of $587. The Legislature noted that the adjustment based on cost of living in each school district helped to assure equal purchasing power of the educational dollar. As recommended, the Bureau of Labor statistics was used to determine the respective data. Through this adjustment the Legislature attempted to correct to some degree the disparities among districts relative to the price of goods and services.

The Florida Education Finance Program Act of 1973 required a uniform tax rate of 6.2 mills (5.5 in 1973-74 owing to property reassessment) which would increase to seven mills in 1974-75. It noted that by school year 1974-75 with a seven mill required local effort, local districts would have only a three mill leeway, which itself would be substantially equalized. It also recognized that some counties simply did not have the property wealth to finance their local contributions as easily as others. It attempted, therefore, to move substantially closer to the goal of full equity. The equalization program involved the following aspects.

1. The State guarantees seven percent of the base allocation ($587 x .07 - $41.09)
2. This $41.09 is the minimum amount each school district must receive for each additional mill it levies above the required rate up to the ten mill limitation. By the 1974-75 year, the guarantee for the optional local leeway actually levied by a district would increase from seven percent to eight percent of the base FTE cost ($587 x .08 = $46.96)
3. Thus, this power equalizing provision is to poorer districts both a monetary supplement and an inducement to levy more than the minimum required millage. Beyond that it is a statement of commitment to education and to equity in financing

Application of the Equalization Formula

The calculation to determine how much each county can raise from the allowable local leeway is relatively simple: one mill on ninety-five percent of a county's assessed valuation on the previous calendar year's nonexempt tax roll (excluding that portion of homestead exemption Florida permits for school tax purposes) is divided by that county's unweighted FTE total to determine its property tax yield per unweighted FTE student per mill of property tax levied. To illustrate, one mill on ninety-five percent of county "A's" assessed valuation is $300,000, while one mill on ninety-five percent of county "B's" property is assessed at $400,000. The FTE totals for the two counties are 20,000 and 8,000 respectively. Thus the district yield per mill per FTE student for county "A" is $15.00 (300,000/20,000). For county "B" the district yield per mill per FTE is $50.00 (400,000/8,000).

The disparity between the two counties under an unweighted formula is readily apparent. But, as of the passage of the Florida Education Finance Program Act of 1973, county A would be entitled to receive an amount from the State for the difference of the State guarantee ($41.09) and the county yield ($15.00). Therefore, in this example, county A would receive from the State, $26.09 per mill per FTE. Because Florida has no recapture provision, county B is entitled to keep the entire $50.00 per mill per FTE.

Quite clearly, without this equalizing provision county B would yield $35.00 more than county A per FTE for each additional mill above the required levy. With FEFP, the difference in yield is only $8.91. Relative to the equalization effect of the FEFP Act of 1973:

> . . . in 1973-74 the equalization effect of the Florida Education Finance Program Act is to lower to less than 13 percent the difference between the amount of dollars per FTE student who lives in the largest rich school district (Palm Beach with $952 per student) and the largest poor school district (Hillsborough with $844 per student).
>
> In other words, Florida would achieve 87 percent equalization of funds between these two districts (in 1973-74). And in 1974-75, the amount of equalization would increase to well over 90 percent, given the existing statutes for 1974-75.[86]

The Governor's Citizens' Committee and the Subcommittee on State School Finance Study had strongly recommended that leeway be granted for innovative programs. The Florida Education Finance Program Act of 1973 passed the legislation necessary to implement the first of the committee's recommendations. The new law provided for State funds to carry forward several general and transitional categorical programs. Examples of general programs are educational leadership training and school lunch supplements. General programs, those considered established programs, remained in effect unless changed by law. Transitional programs were to remain for not more than four years. If not incorporated into the general program by that time they would be discontinued.

The recommendation relative to transportation was enacted into law. The original formula was replaced by a new one to be used in calculation of costs. Full State assumption of transportation cost was initiated and the State, under FEFP, immediately assumed sixty-eight percent of the overall costs with this percentage to be increased each year until full State funding had been accomplished.

The Florida Education Finance Program Act of 1973 provided a formula for capital outlay costs based on a survey of building needs to be assumed by the State. This formula, operative for a five-year period, was to be recomputed annually. In 1973-74, an additional $89.5 million was appropriated for needed school construction and debt service. As recommended by the Finance Committee, the Act also mandated State assumption of the costs of rented or leased facilities, and relocatable school facilities at attendance centers where there were indications of unstable and/or declining enrollments.

Florida allows a $5,000 homestead exemption against property taxes for school purposes. The FEFP Act permitted the State to reimburse counties for almost all of the approximately $5.6 million they would lose due to this exemption.

The FEFP Act recognized data-gathering and use as indispensible. The Commissioner of Education, according to the new Law, is to ensure that a comprehensive management information and assessment system is implemented. Reporting terms will be standardized and management objectives will be compatible at all policy levels. Data will be generated by the management system on a school-by-school basis for such items as student performance, costs by program, and similar cost effectiveness reports.

[86] Marshall A. Harris, *Description and Analysis of the Process and Methodology of a School Finance Study in Florida.* (Washington, D.C.: U.S. Office of Education, 1973), p. 44.

In addition to the Florida Education Finance Program Act (SCHB 734), the Florida Legislature passed a companion piece of legislation, HB 1331, known as the Property Assessment Administration and Finance Law of 1973. This law recognized the State's role in assuring that the property that produces the revenue for local contributions to public schools is assessed fairly and equitably. To do this, it established the State's responsibility to secure a just valuation of all property and provided for a uniform assessment of property within each county and among counties or taxing district.

Public School Finance Reform in the State of Kansas

Authorities in the field of public school finance have heralded the 1973 "School District Equalization Act" as the most significant public school finance law ever adopted in Kansas. Since a primary purpose of the present work is provision of information about legal and practical reform measures in state school finance programs, the Kansas program was reviewed.

Some important features of the 1973 Kansas legislations include: (a) the amount of state aid involved, (b) property tax rates, and (c) the prospective reduction in the substantial variations in operating expenses per pupil among school districts in the same enrollment categories.

The School District Equalization Act of 1973 was the culmination of the work of several major legislative interim committees whose study of methods to improve the Kansas public school finance system preceded, for the most part, most school finance litigation. It also preceded the final decision in the Kansas litigation, *Caldwell v. Kansas*, which held the former system unconstitutional from both federal and state viewpoints. Also considered noteworthy is the fact that the final passage of The School District Equalization Act occurred after the United States Supreme Court had reversed the federal district court in *Rodriguez*, thus equating the Kansas reaction with that of New Jersey in *Robinson v. Cahill*.

The School District Equalization Act repealed the School Foundation Finance Law enacted in 1965 and the Supplemental School Aid Law passed in 1969. This new legislation provided for school foundation tax levy but at a reduced rate—a ten percent rebate of state individual income tax revenue to school districts, and budgetary and property tax levy limitations—and contained similar revisions of the original Senate Bill 92.

State aid under the School District Equalization Act was estimated at $187.7 million. This included 176.7 million general aid and $11 million transportation aid. It was recognized that these figures would change when the new aid formula were applied during the 1973-74 school year based on current information. General state aid would be increased by $76 million and transportation aid by $5 million over the estimated amounts that would have been budgeted for 1973-74 under the repealed school foundation and supplemental aid laws.

Below is a summary of the $187.7 million total state aid. Figures reflect millions of dollars.

State General Fund — Repealed Aid Programs	$105.1
State Annual School Fund — Present	1.6
USDs Share of fines and forfeitures[a]	2.5
USDs Share of Local Aid Valorem Tax Reduction Fund[b]	11.6
State General Fund — New Money	66.9

Total state aid under the new law was equal to fourty-nine percent of the projected total general fund budgets of school districts in 1973-74. The addition of ten percent income tax rebate to districts would bring that ratio to fifty-two percent. Since the corresponding state aid to burget ratio in 1972-73 was about thirty percent, an increase of twenty-two percent characterized the School District Equalization Act of 1973.

According to the legislative reporter, there were fifty-three districts whose proposed general state aid under the new formula was less than their general and supplemental state aid in 1972-73. Of these fifty-three districts, thirty would receive no general aid; the other twenty-three would receive some assistance, but less than present aid. These fifty-three districts constituted seventeen percent of the total number of school districts which enrolled slightly over five percent of the total public school enrollment in the state.

The total authorized general fund budgets of all school districts was $358.7 million in 1972-73. If all districts used their maximum general fund budget authority in 1973-74 under the new law, the projected total would be $383.4 million, an increase of $24.7 million or 6.9 percent.

On a Statewide basis, property tax reduction in 1973-74 under the School District Equalization Act was estimated at approximately $53 million. This estimate was based on the total increased state aid of $81 million, plus about $11 million from the ten percent income tax to be rebated to school districts, less the projected increase in budget authority ($24.7 million), the shifting of the districts' share of fines and forfeitures ($2.5 million), and the local ad valorem tax reduction fund ($11.6 million).

In almost eighty percent of the districts, the estimated millage rate under the new law was less than the rate under the old. There were sixty-six districts in which the estimated millage rate under the new law was greater than the 1971 and 1972 rates, but in seventeen of these sixty-six districts, the projected increase was less than one mill. The estimated 1973 rate reflected the increase in budget authority allowed under the Equalization Act.

Another test of the effect of the new Act on property tax rates was made by estimating the 1973 combined district millage rate for all operating purposes plus the two mill foundation levy, assuming a thirty percent level of assessment in each district. The results were:

Estimated Adjusted Tax Rate (mills)[c]	Number of Districts
1500 - 19.99	17
20.00 - 24.99	169
25.00 - 29.99	107
30.00 - 34.99	14
35.00 - 39.99	2

[a] To be remitted by county treasurers to the State for deposition in the State Equalization fund.

[b] To be transferred from the State general fund (5.5 percent of sales and tax collections) the State equalization fund.

[c] District combined rate for general, social security, special education, and vocational funds; twelve-month basis assuming that budgets were increased to the maximum allowable under the Act and that no balances were carried over from 1972-73. Also includes county foundation levy of two mills.

The lowest rate was 15.42 mills; the highest was 37.83 mills; the median was 24.26 mills. The combined rate in eighty-nine percent of the districts was between twenty mills and thirty mills.

The lowest combined 1971 rate, on the same basis as above, was about fifteen mills and the highest rate was 52.28 mills, a difference of over thirty-seven mills. The estimated spread, low to high, under the School District Equalization Act was approximately twenty-two mills.

Definition of Pupil by Act

Pupil means any person who is regularly enrolled in any of grades kindergarten through grade twelve of a school district. Any pupil not enrolled full-time shall be counted on a proportional basis, to the nearest one-tenth. Kindergarten pupils shall be counted as one-half pupil. An area vocational school pupil shall be counted as that proportion of one pupil (to the nearest one-tenth) that his nonvocational education enrollment bears to full-time enrollment.

General Fund Definition

The general fund means the fund of a district from which operating expenses are paid and to which is deposited general state aid, property taxes levied for operating purposes, receipts from the two mill county levy, the amount of the ten percent income tax rebate, receipts under Public Law 874, payments under K.S.A. 72-105a, the district's share of the intangibles tax, and such other monies as are provided by law.

Operating Expenses Definition

This term shall mean the total expenditures and lawful transfers from the general fund during a school year, except for expenditures specified in Section 35 of the Bill.

Legally Adopted Budgets of Operating Expenses

This term shall mean the amount legally authorized for such expenses in the budget of a district. To establish a base for computing limitations on operating expenses in 1973-74 and thereafter, legally adopted budget of operating expenses in 1972-73 means the amount budgeted in the general fund, excluding transportation and social security (if any).

Budget Per Pupil Defined by Act

This shall mean the legally adopted budget of operating expenses divided by the number of pupils enrolled in the district on September 15. The definition of budget per pupil (BPP) is used in both the general state aid formula and in the budget control provisions of the bill.

District Wealth as Defined by Act

District wealth which is used in the general state aid formula means the sum of the adjusted valuation of a district and the taxable income within a district. Adjusted valuation is the assessed valuation of tangible taxable property adjusted to a thirty percent assessment level (the level required by Kansas law). Taxable income is the amount reported by resident individuals on Kansas income tax returns.

General State Aid:

The general State aid under the School District Equalization Act is based on the district power equalizing concept. In general, the formula in the Bill is one under which a district's local effort rate (LER) is prescribed by law at 1.5 percent for a specified or "norm" budget per pupil (BPP), as determined under a schedule that divides districts into enrollment categories selected through analysis of median operating costs per pupil at various levels of enrollment. If the BPP of a district is more or less than the amount specified in the enrollment–BPP schedule, the local effort rate (LER) is proportionately more or less than the prescribed LER of 1.5 percent.

The district's wealth is multiplied by its LER to determine, in part, how much the district will have to raise to finance its general fund budget. Therefore, the higher a district's BPP (budget per pupil) in relation to the specified BPP in its enrollment category, the higher its local effort rate and the greater its chargeback based on district wealth. State aid is provided if the required local effort (district wealth times LER plus other deductions discussed below) does not produce sufficient revenue to finance a district's general fund budget.

More specifically, general state aid for a district is computed as follows: the district's legally authorized general fund budget *minus* the sum of (a) district wealth times the district LER, (b) district receipts, if any, in the preceding year under Public Law 874, (c) district's share of the two mill county school foundation tax levy, and (d) district's share of the intangibles tax–its twenty five percent of this tax. The total of the above four items (a through d) is defined as a district's local effort.

For the 1973-74 school year, the enrollment categories and the specified budgets per pupil according to the School District Equalization Act, are given below:

Enrollment under 400	BPP-$936	No Adjustment
Enrollment 400-1299	BPP-$936	Minus $.23111 (E-400)
Enrollment 1300 and over	BPP-$728	No Adjustment

These categories were based on an analysis of general fund budgets per pupil (less transportation and social security) in 1972-73. By using more than one enrollment category, the general inverse relationship of enrollment and BPP is taken into account. The BPP specified for districts with under 400 pupils was established as the median BPP of all districts with 400-499 enrollment. This was a policy decision by the Legislature in order not to establish an excessive BPP "norm" for such districts, many of whom had very high BPPs. The adjustment factor in the above schedule is designated to prevent sharp changes in the specified BPP between the lowest and middle, and the middle and highest enrollment categories. Based on the above schedule, the formula for determining a district's Local Effort Rate (LER) is:

$$\frac{\text{District's BPP}}{\text{BPP Norm for District's Enrollment Category}} \times 1.5 \text{ percent}$$

If a district's BPP is greater than the specified BPP in its enrollment category, its LER will be greater than the 1.5 percent in the same proportion. If a district's BPP is less than the norm, its LER will be less than the 1.5 percent in the same proportion.

Example of Formula as Applied

A district with fewer than 400 pupils and a BPP of $936 will have an LER of 1.5 percent. But another district with fewer than 400 pupils and a BPP of $1,872 will have an LER of 3.0

percent because $1,872 is twice the specified BPP of $936. The specific enrollment categories (except under 400), and the specified BPPs set forth in the above schedule may change after 1973-74. In order to assure that the schedule reflects current enrollment and BPP trends, the School District Equalization Act provides that the State Board of Education shall make an annual analysis of BPPs in enrollment intervals of 100 pupils ranging upward from the minimum or lowest category of "under 400 pupils." This provision is intended to prevent state aid from lagging behind the trend of operating costs as occurred under the repealed school foundation finance law.

Under the power equalizing formula of the new Act, each district's locally elected board of education will determine what it wants to budget per pupil, subject to budgetary limitations, which are described subsequently in this review. The higher the budget per pupil (BPP), however, the higher the local effort rate (LER). The State will make up the difference between the district's general fund budget and its "local effort" from revenues derived from the state as a whole. Therefore, each district will have equal power to select its level of spending because its expenditure per pupil will be a function of the school board's budget policies and its local effort, not of the district's wealth.

Transportation Aid

State aid for transportation of pupils is provided under the same cost-density formula as in the repealed school foundation finance law. Under the School District Equalization Act, however, aid is based on 100 percent of actual cost or 100 percent of the cost-density formula, whichever is less, instead of the "lesser of seventy percent of cost or seventy percent of the formula" under the repealed law. Also, the limitation of $6 million for transportation aid was deleted; that limitation had required proration of transportation aid at seventy-five percent in 1972-73. All districts that qualified for transportation aid, including those that would receive no general aid for less general aid, would be entitled to a increase in transportation aid.

State School Equalization Aid

The new Act established a state school equalization fund from which general and transportation aid is to be paid. This fund consists of:

1. All monies deposited in the state annual school fund, mainly from the motor carrier property tax which is collected by the State
2. Proceeds of fines, penalties, and forfeitures collected by courts for violations of State laws which were formerly credited to county school funds
3. Five and one-half percent of State sales and use tax collections
4. Amounts appropriated therefor or transferred thereto by the Legislature

Prior to enactment of the School District Equalization Act, ten percent of State sales and use tax was earmarked for the local ad valorem tax reduction fund (LAVTRF). School districts received about fifty-five percent of that fund. The new law earmarks 4.5 percent of such tax collections for the local ad valorem tax reduction fund and eliminates school district sharing in that fund. In essence, the school districts' share of the LAVTRF is used to help finance state aid under the new equalization law.

Distribution of State Aid

General state aid is distributed directly to school districts as follows on the 20th day of each of the months from September through January, an amount equal to ten percent of the district's general state entitlement in the preceding year; on the 20th of each of the months of February through April, ten percent of the current school year's entitlement; and on May 20th, the full amount of the current year's entitlement less amounts paid in September through April. A special transitional provision is that the payments to be made in September 1973 through January 1974 shall be ten percent of the amount the district would have received as general state aid in 1972-73 if the Act had been in effect that years. General state aid would be prorated among all districts entitled to such aid if the amount in the State School Equalization Fund on or after March 1 is insufficient to pay general aid in full.

Transportation aid is distributed in two payments: on September 25, half of the amount paid as transportation aid in the preceding school year; and on February 25, the entire amount of the district's entitlement for the current school year, less the amount paid on September 25. Another transitional provision is that the payment on September 25, 1973, shall be an amount equal to the full amount the district received as transportation aid in 1972-73.

County School Foundation Fund

The County School Foundation Fund tax levy is continued under the new Act, but at a reduced rate. The rate under the repealed law was approximately equivalent to eight mills on assessed valuation adjusted to a thirty percent level of assessment. Section 45 of the new Law provides that the levy for the county fund shall be at a rate that will produce the amount that would be produced by a two mill levy on the 1971 adjusted valuation (thirty percent level of assessment) of the county. By pegging the dollar amount of the levy of 1971 adjusted valuation, the actual tax rate necessary to produce the amount required will decline as assessed valuations increase.

No change was made in the distributions of the county foundation fund. That is, most of the fund will be distributed to districts in the county on the basis of their relative number of certificated employees. There will still be a per pupil distribution where joint school district territory and pupils are involved. The County School Foundation levy remains exempt from the property tax "lid."

Ten Percent Tax Rebate

Commencing with taxable years beginning after December 31, 1972, each school district shall be entitled to an amount equal to ten percent of the resident individual income tax liability, after credits for taxes paid to another state, imposed under the Kansas income tax law. This entitlement will be based upon the district residence of taxpayers as shown on State income tax returns filed in 1974 and in each year thereafter. an amount equal to the entitlement of districts is to be transferred from the State general fund to the new school district income tax fund, upon certification thereof by the State Secretary of Revenue, prior to the prescribed distribution dates. These dates are May 1 and August 1, beginning in 1974, for monies transferred after July 31 of the preceding year. Districts will receive two payments during their eighteen-month budget period beginning July 1, 1973, and these two payments would cover most of their entitlements based on returns filed in 1974. The payments in February of each year are expected to be small.

It was estimated that the total income tax rebate to districts would approximate $11 million in May and August of 1974. All districts are entitled to the ten percent rebate, which

has no bearing on general state aid or the computation thereof. The real effect of the rebate is to provide each district with revenue that otherwise would have to be raised locally from the property tax.

Budgetary Limitations and Appeals

Enrollment categories identical to the ones established for purposes of the general state aid formula are made applicable to the budget control provisions in Section 26 of the Act. The basic limitation is that no district may budget or expend for operating expenses per pupil more than 115 percent of its BPP in the preceding year or 105 percent of the median BPP in the preceding year of districts within the same enrollment category, whichever is less. However, any district may budget or expend 105 percent of its BPP in the preceding year. Also, if approved by the electors of the district, the BPP may be increased to the BPP in the preceding year of the district that had the highest BPP in the enrollment category, provided the increase does not exceed 115 percent of the district's own BPP in the preceding year. No district may budget in any year an amount for operating expenses less than $600 per pupil.

These limitations were designed to allow the low expenditure districts within each enrollment category to increase their BPPs by a greater percentage than the high expenditure districts; thus, narrowing the gap over a period of years. The $600 BPP floor applies only to the district with the lowest BPP in the state and it may increase its BPP by about twenty-four percent in 1973-74.

If a district does not budget in any year the full amount allowable under the basic limitations, i.e., excluding the election provision, the difference may be added to its legal budget for operating expenses for a year later to be decided by the district, provided that the total increase does not exceed 115 percent of its BPP in the preceding year. This provision was intended to make unnecessary annual district budgets for the full allowable amount, when such amount may not be needed at the time, and to protect their budget base for the future.

If the enrollment of a district in the current school year has declined by less than a specified percentage from the enrollment in the preceding school year, the amount that the district may budget and expend may be computed on the basis of the enrollment in the preceding year. The specified percentages are: ten percent for districts in the smallest enrollment category (under 400 pupils), and five percent for districts in the largest enrollment category. The middle category relative to enrollment has a specified percentage of 7.5 percent.

Penalty Provision

If a district expends in any school year an amount for operating expenses that exceeds the budget limitations outlines above, the excess shall be deducted from amounts payable to the district during the next school year from the state equalization fund.

Eighteen-Month Budget

All districts adopt a budget of operating expenses for an eighteen-month period, July of the current year through December of the following year. The amount to be budgeted for the last six months shall not be less than fourty percent or more than fifty percent of that budgeted for the first twelve months.

Appeals

The State Board of Tax Appeals may authorize a school district to increase its legally adopted budget for operating expenses upon a finding by the Board that:

A. The construction of new or additional school facilities causes an increase in operating expenses greater than the district is permitted to budget under the budget limitations
B. The requirements of law to provide special education cause an increase in operating expenses greater than the district is permitted to budget under the budget limitations
C. The requirements of law to pay out-district tuition for vocational education and the requirements of contractual agreements for payment of amounts for an area vocational school cause an increase in operating expenses greater than the district is permitted to budget under the budget limitations
D. The requirements of law to provide transportation of students cause an increase in operating expenses greater than the district is permitted to budget under the budget limitations
E. Operation of an existing program of cooperative special education at a level of financial support equal to that of the 1972-73 school year causes an increase in operating expenses under the provisions of the Act and the assumption of such increases by the cooperating districts, including the sponsoring district, is agreed upon, subject to appeal
F. No appeal shall be made under items D and E after August 1, 1973.

In addition, the Board of Tax Appeals may authorize a district to levy a property tax each year for the purpose of maintaining an existing program for transportation of pupils equal to that of the 1972-73 year, to the extent that the same cannot be financed under appeal reason D above. The amount of such levy is limited to the difference between the amount of transportation aid the district would have received in 1972-73 if the revised transportation aid formula in the Act had been in effect that year and the amount budgeted for transportation in 1972-73 in the general fund of the district. No appeal under this provision shall be made after August 1, 1973.

Property Tax Levy for Operating Expenses

Within the budgetary limitations prescribed by the new law, the board of any school district may levy property taxes for operating expenses. There is no other restriction on the amount of such levy or on the tax rate for the district general fund. School districts are not covered by the "tax lid" law.

Special Program Funds

The School District Equalization Act created the following special program funds of school districts: special education, vocational education, driver training, food service, and transportation. All monies received by a district for these programs were to be deposited in the respective funds and all expenditures for these programs are to be paid from the respective funds, not from the general fund.

Miscellaneous earnings (such as interest earnings) or similar district revenues were not required by the new law to be credited to a specific fund for any of the aforementioned special programs. These miscellaneous revenues were to be deposited in the district general fund, other specific funds if eligible, or into the capital outlay fund. The existing social security and capital outlay funds are continued without change. Transfers may be made from the district general fund to the capital outlay, transportation, special education, food service, driver training, or vocational education funds. Any such transfer shall be an operating expense in the year the transfer is made.

The authority of the district board of education to levy two mills for vocational education and to levy 1.5 mills for special education is continued by the new Act. Proceeds from the latter levy must first be used for mandated special education programs under K.S.A. 72-933, as amended, and any remaining amount shall be used for other approved special education programs.

SUMMARY

Throughout this document attempts have been made to relate the Alabama Minimum Program to recent developments in school finance in the United States. Early legal cases were presented which indicated that tensions which currently exist among the interest of state government in fulfilling its responsibility to educate children, the taxpayer in pursuit of tax equity, and the right to the pursuit of happiness and an equal educational opportunity, by children are not of recent vintage. Although early cases tended to concentrate on the rights of the taxpayer, more recent cases have tended to emphasize the educational needs of children. Emphasized in recent years, has also been the right of children to pursue an adequate educational program which will fit them for a productive station in society, undeterred by the accident of geography imposed upon them by their parents.

While there have been no recent legal challenges to the Alabama Minimum Program, many early cases related to tax equity seem to provide precedent in law. It is the responsibility of the State Legislature to probe the effects of the current school finance program within the State and to reform any aspect of that law which are determined to be inequitable. This act of the Legislature is essential, not in response to legal challenge, but because it is right and just.

The Alabama Minimum Program enjoys many virtues. It does not require over-reliance on the local property tax, as is the case in numerous states. It is highly effective in distributing the states' fiscal resources equally among the sixty-seven counties, but it fails to take into account the problems of school districts within counties. There seems to be a need to closely examine and reassess the ability of the state to provide increased revenue for education. Per capita fiscal support for education and per pupil expenditure within the state have remained low as compared with the national average. A need also exists for serious consideration of the manner in which required local effort, as related to local ability, is determined. A grave weakness of the current financial program in Alabama is its apparent inability to respond to the unique needs of individual children. The strength of equalization in the State's program seemed to lie in its ability to equalize wealth, as measured, among county school systems. Equity demands that an effort be made to equalize resources so as to equalize educational opportunities among children.

States have made tremendous strides toward reform in school finance enabling legislation in recent years. A summary review of these reform efforts in the fifty states was conducted. The findings were presented in this document so as to provide the State Legislature with some data which may be used in its eclectic development of a reformed school finance program designed to meet the unique needs of Alabama children. A detailed presentation was made of school finance reform measures in Florida and Kansas. The presentation of the Florida Program concentrated primarily on the procedure for reform. The Kansas presentation concentrated primarily on the substance of the reform measure.

No recommendations for school finance reform in Alabama are made in this report. Any recommendations made at this time would be premature. This study has suffered two grave limitations. One, time and financial resources did not allow for a study of causation related to the current program. Since limited regression analysis yielded only on independent variable—population—such a study seems to be essential. Neither was there an adequate data base for a school system-by-school system analysis of the effects of the Alabama Minimum Program. Because local ability and local effort in Alabama are currently based on county data, the reliability of data used in the instant study seems to be sufficient. Any recommendation, however, should be reserved pending a system-by-system analysis of school finance in the State of Alabama. This would require data by school system rather than by county. Until these data are gathered any assessment of financing education in Alabama is only partial and lacks the validity necessary to form a basis for new law or for major procedural changes.

Appendix A

Alabama Minimum
Program

1935

Appendix A-1
Amendment
September 2, 1935

Appendix A-2

The School Code
of Alabama
1940

APPENDIX A

No. 295) (H. 852 Hendley

An Act
(Approved September 2, 1935)

To authorize and provide for the establishment of a fund to be known as the Minimum Program Fund, and to define procedures to be used in apportioning the Minimum Program Fund for the elementary and high schools in the various counties and cities of the State.

Be it Enacted by the Legislature of Alabama:

Section 1. MINIMUM PROGRAM FUND ESTABLISHED:--There is hereby established a fund for the public elementary and high schools of the State which shall be known as the Minimum Program Fund, and which shall be used for providing a minimum school term and for the equalization of educational opportunity. This fund shall comprise all appropriations made by the Legislature to the credit of the Minimum Program Fund, and any other funds set aside for that purpose. It shall include, among other funds, the appropriation previously known as The Equalization Fund, which is hereby made a part of the Minimum Program Fund.

Section 2. PURPOSES AND PLAN OF APPORTIONMENT:--In addition to all other appropriations and apportionments of public school money now provided by law and made available for elementary and high schools there shall be apportioned and paid to county boards of education from the Minimum Program Fund the amounts to be determined as hereinafter provided and in accordance with regulations of the State Board of Education. This Minimum Program Fund shall be used principally (1) to aid in providing at least a seven months' minimum term for all schools, and (2) to assist in the promotion of equalization of Educational opportunity for all children in the public elementary and high schools. The following requirements and procedures, supplemented when necessary by regulations of the State Board of Education, shall govern the apportionment of the fund: 1. REQUIREMENTS FOR PARTICIPATING IN THE FUND:--In order for the public schools of a county, including the independent cities, to share in the apportionment of the Minimum Program Fund, and to receive the maximum benefits therefrom, they shall meet the following conditions: a. The county shall, for the year for which aid is requested, be levying and collecting the constitutional one mill county school tax, the constitutional three mill county school tax, and the constitutional three mill district school tax in the several districts covering the whole county, provided that in determining the funds to which any county not levying any one or more of these taxes or the equivalent is entitled, the proceeds from these taxes shall be considered as available for the educational program as though such taxes were actually being levied and collected. b. In the expenditure of all funds available for the Minimum Program as herein defined, the county shall as nearly as practicable provide the same length of term in all schools as practicable provide the same length of term in all schools except in schools located in non-tax areas. c. Beginning July 1, 1935, the county shall provide a school term of at least 140 days, or such part of that school term as can be maintained by using funds available and as defined by regulation State Board of Education; provided, that in case any district or districts are not levying and collecting the three mill district tax or the equivalent the county board of education shall not be required to maintain in such district or districts the minimum term of 140 days; and provided, further, athat in case the county board fails to operate any schools the minimum 140 day term, or the minimum term as defined by the State Board of Education, the needs of the county shall be computed only for the actual period the schools are in session that year. d. Beginning July 1, 1935, the county shall expend funds allotted for teachers' salaries in accordance with a salary schedule or schedules adopted by the county board of education and approved by the State Superintendent of Education, provided such salary allotments are at least equivalent to those allotted in the State minimum salary schedule. e. As soon as practicable after July 1, 1935, the county board of education shall submit to the State Superintendent of Education for his approval under the regulations of the State Board of Education, the following: 1. A proposed county-wide building program which sets out in detail the location of all present and proposed buildings; which indicates proposed educational centers and grades to be taught at these centers, and which provides schools for all the children of the county. (2) A proposed transportation program showing the proposed routing of busses and the condition of all roads to be used for transportation. f. Any independent city in the county whose program is computed as a part of the county program shall meet such minimum standards as are required of the county board of education. g. The county or independent cities within the county shall meet such other standards as may be set up by the State Board of Education to promote equal educational opportunity and provide better schools.

2. DETERMINING THE COST OF THE SEVEN MONTHS OR ESTABLISHED MINIMUM PROGRAM.--In determining the cost of the seven months minimum program or whatever term may be established to be equalized, the State Board of Education shall proceed to find the following allowable costs for each county, including the independent cities: Teachers' salaries, transportation, and, for the county excluding the cities, capital outlay. a. The minimum program allowance for salaries of teachers shall not exceed salaries paid, and shall be determined as follows: The number of teacher units in each county, including the cities, shall be multiplied by the amount or amounts per teacher unit to be fixed by the State Board of Education, which amounts shall be based on the average salaries for each major classification required by the operation of the minimum salary schedule or schedules adopted by the State Board of Education. In determining the number of teacher units to be allowed, the State Board of Education shall from time to time cause an investigation to be made of current practices in regard to teacher load in various types of schools and in counties falling in different density of population groups. The basis for determining the teacher unit shall give due regard to types of schools, density of population and to other pertinent factors. If the number of elementary or high school teachers employed is less than the number of approved teacher units in any county as computed in accordance with the regulations of the State Board of Education, the State Superintendent of Education may in his discretion use the total number of teachers employed, or any intermediate number between such actual number and the number of units allowed as explained above, in ascertaining the minimum program fund to be apportioned as provided hereinafter, provided such allowances shall be made in so far as possible on an objective basis to be established by regulations of the State Board of Education. In determining the salary schedule or schedules which shall control the expenditure of funds allowed for teachers' salaries the State Board of Education shall from time to time cause an investigation to be made of the current practices in regard to salaries paid various employees engaged in instructional services of the several county and city boards of education, giving due consideration

to the academic and professional preparation of employees, to the length of service rendered, and to the cost of living. Nothing herein shall be construed to restrain counties or cities from the use of higher salary schedules than the minimum salary schedule set up by the State Board of Education. b. The minimum program allowance for transportation shall be determined as follows for any county: The number of pupils transported on transportation routes approved under regulations of the State Board of Education shall be multiplied by an amount per pupil which is to be fixed by the State Board of Education and applied to counties within groups having similar density of population; provided, studies shall be made from time to time to determine whether the cost allowed per pupil or the cost unit should be changed in any or all counties. In determining the amount to be allotted for transportation no allowance shall be made for transporting pupils who live less than two miles from the school they are attending unless such pupils can be shown to be physically handicapped and to require transportation. The total amount allotted any county for transportation shall not exceed a figure determined by the State Board of Education in terms of the ratio between pupils attending school in that county or some similar ratio established by the State Board of Education. Any county which qualifies to have transportation included in its minimum program must provide busses which meet minimum standards established by the State Board of Education, and must take such other steps to protect the safety of the children as are required under regulations of the State Board of Education. c. The minimum program allowance for current expense other than teachers' salaries and transportation shall be determined by allowing a uniform percentage to be fixed by the State Board of Education. In addition, any amount spent from county and local funds for vocational education, which has been approved under the regulations of the State Board of Education, shall be included in the minimum program. d. The amount allowed to each county board of education for capital outlay in the minimum program shall be determined under regulations of the State Board of Education, based largely on the number of teacher units. All counties which participate in this allowance shall submit an annual building program and otherwise comply with the requirements of law and the regulations of the State Board of Education regarding capital outlay expenditures. e. The total cost of the minimum program in any county shall be the total allowed for teachers' salaries, for transportation, for current expenses other than salaries of teachers and transportation, and for capital outlay. 3. DETERMINING THE FUNDS AVAILABLE TO PROVIDE THE PROGRAM.--The funds available to meet the cost of the seven months' minimum program or of the program for whatever minimum term may be established by the State Board of Education shall be determined as follows: To the sum total of all funds from State appropriations and apportionments, available for elementary and secondary schools in any and all school systems in the county, add the total yield of an assessment of the three mill district tax in the several districts covering the whole county and the total yield of an assessment of two mills of a county-wide school tax on all taxable property of the county. The total of these funds shall be considered the total funds available to meet the total cost of the seven months' minimum program. 4. DETERMINING MINIMUM PROGRAM FUNDS NEEDED BY ANY COUNTY FOR THE SEVEN MONTHS OR THE ESTABLISHED MINIMUM TERM.--The funds needed by any county to carry on the seven months' minimum program or the program for the term established by the State Board of Education shall be determined by subtracting the funds available as explained under Sub-Section 3 from the cost of the program determined as explained under Sub-Section 2. The difference shall be provided for out of the Minimum Program Fund and paid to each county board of education as provided in this Act. If the funds available are greater than the cost of the program, the county shall not be entitled to any minimum program funds. 5. DETERMINING MINIMUM PROGRAM FUNDS NEEDED TO PROVIDE AN ADDITIONAL TERM OF TWO MONTHS FOR THE HIGH SCHOOLS.--The funds needed by any county including dependent cities to continue its high schools in session for the customary two months' term beyond the seven months' minimum as outlined above shall be determined as follows. a. Find the approved cost of operating the high schools for two months by allowing salaries of teachers for the approved number of teacher units and allowing transportation for these two months. To these costs are to be added any other necessary expenditures approved under regulations of the State Board of Education and for which no funds are otherwise available; provided no principal of any debt service may be included in these approved expenses except after all capital outlay allowances in the minimum program have been used for debt service instead of new buildings and except after all reasonable possibilities of refinancing have been exhausted. b. To the total yield of an assessment of two mills of the county-wide tax of all taxable property of the county add the average yield for previous four years from the poll tax for that county. c. If in any county including the cities the cost of operating the high schools two months as outlined above and of other approved and necessary expenditures beyond the minimum program is greater than revenues available to meet this part of the program, the difference shall be paid from the Minimum Program Fund. 6. STATE BOARD TO DETERMINE PERCENTAGE ALLOTMENTS.--The State Board of Education shall determine the percentages of the costs of the minimum program which shall be allotted to other than teachers' salaries; provided that such percentages shall be subject to the limitations imposed by the preceding sub-sections.

Section 3. REPEAL OF CONFLICTING LAWS.—That all laws and parts of laws, general, special or local, in conflict herewith be and the same are hereby repealed.

Section 4. UNCONSTITUTIONALITY OF PROVISIONS: EFFECT OF.—If any section or provision of this act is declared unconstitutional, it shall not affect the remaining sections or provisions.

Section 5. EFFECTIVE DATE.—That the provisions of this Act shall be effective on its approval by the Governor.

This Act construed in an opinion of the Attorney General dated December 3, 1935. Amended by Act 131, approved April 15, 1936.

School Laws enacted by the Legislature of Alabama, Regular Session 1935, Extraordinary Session, 1936, Extraordinary Session 1936-37. Supplement No. 2 to Alabama School Code 1927, State of Alabama, Department of Education, Bulletin 1936, No. 9, Wetumpka, Alabama, Wetumpka Printing Co., 1936, pp. 58-63.

APPENDIX A—1

No. 131) (S. 122—Thomas

An Act

To amend Section 2 of an Act entitled "An Act to authorize and provide for the establishment of a fund to be known as the Minimum Program Fund, and to define procedures to be used in apportioning the Minimum Program Fund for the elementary and high schools in the various counties and cities of the State." (Approved September 2, 1935.)

Be it Enacted by the Legislature of Alabama:

Section 1. That Section 2 of an Act entitled "An Act to authorize and provide for the establishment of a fund to be known as the Minimum Program Fund, and to define procedures to be used in apportioning the Minimum Program Fund for the elementary and high schools in the various counties and cities of the State," approved September 2, 1935, be and the same is hereby amended by the addition of subsection 7, as follows: 7. MINIMUM AMOUNT COUNTY BOARD OF EDUCATION SHALL RECEIVE FROM MINIMUM PROGRAM FUND. Each county board of education shall receive from the Minimum Program Fund during any single year, an amount which is at least equivalent by that county board of education and by the boards of each of the independent cities within the county during the fiscal year beginning October 1, 1934, and ending September 30, 1935, from the following funds: Equalization Fund, Attendance Fund, High School Education Fund, County High School Fund, and bonus School Fund, provided that the present appropriations to the Minimum Program Fund are not reduced.

Approved April 15, 1936.

APPENDIX A—2

The School Code of Alabama
1940

Article 3

Minimum Program Fund

Section 208. Establishment. There is established a fund for the public elementary and high schools of the state which shall be known as the Minimum Program Fund, and which shall be used for providing a minimum school term and for the equalization of educational opportunity. This fund shall comprise all appropriations made by the legislature to the credit of the Minimum Program Fund, and any other funds set aside for that purpose. It shall include, among other funds, the appropriation previously known as the Equalization Fund, which is hereby made a part of the Minimum Program Fund. (1935, p. 174)

Section 209. Purposes and Plan of Apportionment. In addition to all other appropriations and apportionments of public school money now provided by law and made available for elementary and high schools there shall be apportioned and paid to county boards of education from the Minimum Program Fund the amounts to be determined as hereinafter provided and in accordance with regulations of the state board of education. This Minimum Program Fund shall be used principally (1) to aid in providing at least a seven months' minimum term for all schools, and (2) to assist in the promotion of equalization of educational opportunity for all children in the public elementary and high schools. The following requirements and procedures, supplemented when necessary by regulations of the state board of education, shall govern the apportionment of the fund:

1. Requirements for participating in the fund. In order for the public schools of a county, including the independent cities, to share in the apportionment of the minimum program fund, and to receive the maximum benefits therefrom, they shall meet the following conditions:
   a. The county shall, for the year for which aid is requested, be levying and collecting the constitutional one-mill county school tax, the constitutional three-mill county school tax, and the constitutional three-mill district school tax in the several districts covering the whole county, provided that in determining the funds to which any county not levying any one or more of these taxes or the equivalent is entitled, the proceeds from these taxes shall be considered as available for the educational program as though such taxes were actually being levied and collected.
   b. In the expenditure of all funds available for the minimum program as herein defined, the county shall as nearly as practicable provide the same length of term in all schools except in schools located in non-tax areas.
   c. Beginning July 1, 1935, the county shall provide a school term of at least one hundred and fourty days, or such part of that school term as can be maintained by using funds available and as defined by regulations of the state board of education; provided, that in case any district or districts are not levying and collecting the three-mill district tax or the equivalent the county board of education shall not be required to maintain in such district or districts the minimum term of one hundred and forty days; and provided, further, that in case the county board fails to operate any schools the minimum one hundred and forty day term, or the minimum term as defined by the state board of education, the needs of the county shall be computed only for the actual period the schools are in session that year.
   d. Beginning July 1, 1935, the county shall expend funds allotted for teachers' salaries in accordance with a salary schedule or schedules adopted by the county board of education and approved by the state superintendent of education, provided such salary allotments are at least equivalent to those allotted in the state minimum salary schedule.
   e. As soon as practicable after July 1, 1935, the county board of education shall submit to the state superintendent of education for his approval under the regulations of the state board of education, the following:
      (1) A proposed county-wide building program which sets out in detail the location of all present and proposed buildings; which indicates proposed educational centers and grades to be taught at these centers, and which provided schools for all the children of the county.
      (2) A proposed transportation program showing the proposed routing of busses and the condition of all roads to be used for transportation.
   f. Any independent city in the county whose progress is computed as a part of the county program shall meet such minimum standards as are required of the county board of education.
   g. The county or independent cities within the county shall meet such other standards as may be set up by the state board of education to promote equal educational opportunity and provide better schools.
2. Determining the cost of the seven months or established minimum program.—In determining the cost of the seven months minimum program or whatever term may be established to be equalized, the state board of education shall proceed to find the following allowable costs for each county, including the independent cities; teachers' salaries, transportation, current expenses other than teachers' salaries and transportation, and capital outlay.
   a. The minimum program allowance for salaries of teachers shall not exceed salaries paid, and shall be determined as follows: The number of teacher units in each county, including the cities, shall be multiplied by the amount or amounts per teacher unit to be fixed by the state board of education, which amounts shall be based on the average salaries for each major classification required by the operation of the minimum salary schedule or schedules adopted by the state board of education. In determining the number of teacher units to be allowed, the state board of education shall from time to time cause an investigation to be made of current practices in regard to teacher load in various types of schools and in counties falling in different density of population groups. The basis for determining the teacher unit shall give due regard to types of schools, density of population and to other pertinent factors. If the number of elementary or high school teachers employed is less than the number of

approved teacher units in any county as computed in accordance with the regulations of the state board of education, the state superintendent of education may in his discretion, use the total number of teachers employed or any intermediate number between such actual number and the number of units allowed, as explained above, in ascertaining the Minimum Program Fund to be apportioned as provided hereinafter; provided such allowances shall be made in so far as possible on an objective basis to be established by regulations of the state board of education. In determining the salary schedules or schedule which shall control the expenditure of funds allowed for teachers' salaries the state board of education shall from time to time cause an investigation to be made of the current practices in regard to salaries paid various employees engaged in instructional services of the several county and city boards of education, giving due consideration to the academic and professional preparation of employees, to the length of service rendered, and to the cost of living. Nothing herein shall be construed to restrain counties or cities from the use of higher salary schedules than the minimum salary schedule set up by the state board of education.

b. The minimum program allowance for transportation shall be determined as follows for any county: The number of pupils transported on transportation routes approved under regulations of the state board of education shall be multiplied by an amount per pupil which is to be fixed by the state board of education and applied to counties within groups having similar density of population; provided, studies shall be made from time to time to determine whether the cost allowed per pupil or the cost unit should be changed in any or all counties. In determining the amount to be allotted for transportation no allowance shall be made for transporting pupils who live less than two miles from the school they are attending unless such pupils can be shown to be physically handicapped and to require transportation. The total amount allotted any county for transportation shall not exceed a figure determined by the state board of education in terms of the ratio between pupils transportedol and the total number of pupils attending school in that county or some similar ratio established by the state board of education. Any county which qualifies to have transportation included in its minimum program must provide busses which meet minimum standards established by the state board of education and must take such other steps to protect the safety of the children as are required under regulations of the state board of education.

c. The minimum program allowance for current expense other than teachers' salaries and transportation shall be determined by allowing a uniform percentage to be fixed by the state board of education. In addition, any amount spent from county and local funds for vocational education, which has been approved under the regulations of the state board of education, shall be included in the minimum program.

d. The amount allowed to each board of education for capital outlay in the minimum program shall be determined under regulations of the state board of education based largely on the number of teacher units. All boards which participate in this allowance shall submit an annual building program and otherwise comply with the requirements of law and the regulations of the state board of education regarding capital outlay expenditures.

e. The total cost of the minimum program in any county shall be the total allowed for teachers' salaries, for transportation, for current expenses other than salaries of teachers and transportation, and for capital outlay.

3. Determining the funds available to provide the program.—The funds available to meet the cost of the seven months minimum program or of the program for whatever minimum term may be established by the state board of education shall be determined as provided in sections 210-215, inclusive of this title.

4. Determining minimum program funds needed by any county for the seven months or the established minimum term.—The funds needed by any county to carry on the seven months minimum program or the program for the term established by the state board of education shall be determined as provided by sections 210-215, inclusive of this title.

5. State board to determine percentage allotments.—The state board of education shall determine the percentages of the costs of the minimum program which shall be allotted to other than teachers' salaries; provided that such percentage shall be subject to the limitations imposed by the preceding subsections. (1935)

Section 210. Index of Financial Ability of Counties.—The state board of education shall calculate an economic index of the financial ability of each county, including the cities therein, to support the minimum school program, said index to be determined as follows:

1. Calculate for each county its percent of the state total for each of the following items:
   a. Sales tax paid
   b. Passenger automobile license paid
   c. State personal income tax paid
   d. Assessed valuation of public utilities
   e. Farm income
   f. Value added by manufacture
2. Find the sum total of the following:
   a. Per cent sales tax paid multiplied by six
   b. Per cent passenger automobile license paid multiplied by five
   c. Per cent assessed valuation of public utilities multiplied by three
   d. Per cent state personal income tax paid multiplied by one
   e. Per cent farm income multiplied by one
   f. Per cent value added by manufacture multiplied by one
3. Divide the aforesaid sum total by seventeen and the quotient shall be the economic index for each county. (1939, p. 479)

Section 211. Assessed Valuation Index. The state board of education shall calculate for each county, including the cities therein, its per cent of the total assessed valuation of the state and said per cent shall be the assessed valuation index of the county. (1939)

Section 212. Average Index.—The state board of education shall calculate an average index of the financial ability of each county, including the cities therein, to support the minimum school program, said average index to be expressed in per cent of the state total and to be calculated as follows: Add the economic index for each county as provided in section 210 of this title to its assessed valuation index provided in section 211 of this title and divide the sum by the number two and the quotient shall be the average index of the financial ability of the county, including the cities therein, to support the minimum school program, provided, however, that the state board of education shall recalculate said index on the basis of the most recent available data once every two years. (1939)

Section 213. Total Local Funds for State.—The state board of education shall determine the total local funds available to provide the minimum school program for the entire state as follows: Multiply one-half of one per cent by the total assessed valuation of the state on which taxes were due and collectable for the fiscal year beginning October 1, 1938, and the product shall be counted as the total local funds available for the support of the state minimum school program. (1939)

Section 214. Total Local Funds in Each County.—The state board of education shall determine the total local funds available to each county, including the cities therein to provide the minimum school program by multiplying its average index of financial ability as provided in section 212 of this title by the total local funds available to provide the state minimum school program as provided in section 213 of this title and the product shall be counted as the local funds available to said county, including the cities therein, to provide the minimum school program. (1939)

Section 215. Amount from Fund Needed by Each County.—The State Board of Education shall determine the amount by each county, including the cities therein, from the Minimum Program Fund as follows: To the sum total of all funds from state appropriations and apportionments available for elementary and secondary schools in any and all school systems in the county, except apportionments from the special educational trust fund, add the local funds available to provide the minimum school program as determined in section 214 of this title and the grand total shall be deducted from the total cost of the minimum program for all school systems in said county as determined by sections 208 and 209 of this title, and the difference shall be paid from the Minimum Program Fund. (1939)

APPENDIX "B"

Selected Ranked Data Related to Local Ability and Local Effort in The State of Alabama 1972-73

B—1 Population Per Student (By County)
Local Effort Per Student (By County)

B—2 Sales Tax Revenue Per Student (By County)
Total Assessed Value of Property Per Student (By County)

B—3 Value of Private Auto Licenses Per Student (By County)
Assessed Value of Public Utility Property Per Student (By County)

B—4 State Personal Income Tax Per Student (By County)
Value Added By Manufacturing Per Student (By County)

B—5 Value of Farm Products Per Student (By County)
Estimated Personal Income Per Student (By County)

B—6 Total Retail Sales Per Student (By County)
Assessed Value of Real Property Per Student (By County)

B—7 Assessed Value of Personal Property Per Student (By County)
Assessed Value of Motor Vehicles Per Student (By County)

B—8 Total Educational Revenue Receipts Per Student (By County)

TABLE 19
POPULATION (PER STUDENT)
(BY COUNTY)

RANK	COUNTY	NUMBER
1	Butler	5.04
2	Lee	5.02
3	Macon	4.82
4	Tuscaloosa	4.81
5	Fayette	4.77
6	Dale	4.67
7	Crenshaw	4.75
8	Henry	4.72
9	Mobile	4.71
10	Choctaw	4.70
11	Chambers	4.65
12	Jefferson	4.63
13	Pike	4.63
14	Etowah	4.58
15	Montgomery	4.57
16	Cullman	4.53
17	Randolph	4.53
18	Calhoun	4.50
19	Elmore	4.48
20	Geneva	4.46
21	Shelby	4.46
22	Blount	4.44
23	Franklin	4.44
24	Houston	4.43
25	Coosa	4.43
26	Covington	4.42
27	Conecuh	4.42
28	Walker	4.40
29	Chilton	4.38
30	Clarke	4.37
31	Tallapoosa	4.37
32	Cleburne	4.36
33	Bullock	4.36
34	Dekalb	4.34
35	Russell	4.34
36	Barbour	4.33
37	Escambia	4.30
38	Bibb	4.28
39	Jackson	4.28
40	Clay	4.27
41	Lauderdale	4.27
42	Baldwin	4.25
43	Saint Clair	4.23
44	Lamar	4.20
45	Marion	4.20
46	Sumter	4.13
47	Pickens	4.12
48	Limestone	4.08
49	Colbert	4.08
50	Morgan	4.07
51	Winston	4.04
52	Dallas	4.04
53	Marshall	4.04
54	Talledega	4.01
55	Lawrence	4.00
56	Cherokee	3.97
57	Monroe	3.92
58	Madison	3.92
59	Perry	3.85
60	Washington	3.74
61	Autauga	3.73
62	Coffee	3.64
63	Greene	3.60
64	Wilcox	3.60
65	Hale	3.50
66	Marengo	3.48
67	Lowndes	3.25

Source: Center for Business and Economic Research, *Economic Abstract of Alabama 1975* (University, Alabama: Graduate School of Business, December, 1975), p. 6.

TABLE 20
LOCAL EFFORT (PER STUDENT)
(BY COUNTY)

RANK	COUNTY	VALUE
1	Shelby	$ 8.81
2	Greene	$ 8.65
3	Jefferson	$ 7.56
4	Walker	$ 7.32
5	Montgomery	$ 7.29
6	Colbert	$ 6.69
7	Mobile	$ 6.56
8	Houston	$ 6.33
9	Choctaw	$ 6.32
10	Coosa	$ 6.27
11	Tuscaloosa	$ 6.22
12	Etowah	$ 6.19
13	Washington	$ 6.12
14	Elmore	$ 5.99
15	Chilton	$ 5.86
16	Covington	$ 5.83
17	Morgan	$ 5.70
18	Cleburne	$ 5.68
19	Saint Clair	$ 5.65
20	Cherokee	$ 5.61
21	Randolph	$ 5.61
22	Cullman	$ 5.56
23	Pike	$ 5.53
24	Sumter	$ 5.51
25	Lee	$ 5.45
26	Henry	$ 5.43
27	Tallapoosa	$ 5.40
28	Escambia	$ 5.34
29	Marengo	$ 5.33
30	Baldwin	$ 5.17
31	Marshall	$ 5.05
32	Fayette	$ 5.01
33	Calhoun	$ 4.97
34	Marion	$ 4.97
35	Butler	$ 4.92
36	Dallas	$ 4.88
37	Franklin	$ 4.84
38	Winston	$ 4.79
39	Bibb	$ 4.75
40	Chambers	$ 4.71
41	Geneva	$ 4.67
42	Perry	$ 4.61
43	Talledega	$ 4.60
44	Blount	$ 4.59
45	Madison	$ 4.56
46	Clarks	$ 4.45
47	Lamar	$ 4.42
48	Crenshaw	$ 4.38
49	Lauderdale	$ 4.35
50	Jackson	$ 4.31
51	Pickens	$ 4.28
52	Monroe	$ 4.28
53	Clay	$ 4.27
54	Autauga	$ 4.27
55	Dekalb	$ 4.26
56	Coffee	$ 4.24
57	Barbour	$ 4.20
58	Bullock	$ 4.13
59	Conecuh	$ 3.94
60	Dale	$ 3.94
61	Linestone	$ 3.70
62	Russell	$ 3.60
63	Hale	$ 3.55
64	Lawrence	$ 3.45
65	Macon	$ 3.42
66	Wilcox	$ 3.32
67	Lowndes	$ 2.84

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 21
SALES TAX REVENUE (PER STUDENT)
(BY COUNTY)

RANK	COUNTY	VALUE
1	Montgomery	$ 577.14
2	Jefferson	$ 421.90
3	Houston	$ 369.26
4	Mobile	$ 275.28
5	Geneva	$ 248.05
6	Covington	$ 245.85
7	Marshall	$ 242.22
8	Tuscaloosa	$ 237.42
9	Colbert	$ 235.55
10	Calhoun	$ 222.84
11	Walker	$ 220.76
12	Fayette	$ 218.20
13	Etowah	$ 214.61
14	Cullman	$ 214.59
15	Pike	$ 213.94
16	Lee	$ 211.77
17	Escambia	$ 211.76
18	Butler	$ 201.92
19	Henry	$ 199.73
20	Clarke	$ 198.98
21	Randolph	$ 195.76
22	Tallapoosa	$ 193.50
23	Morgan	$ 193.38
24	Winston	$ 191.26
25	Baldwin	$ 188.47
26	Franklin	$ 182.62
27	Marion	$ 179.85
28	Dallas	$ 179.68
29	Lauderdale	$ 176.55
30	Coffee	$ 175.24
31	Madison	$ 172.45
32	Dekalb	$ 170.28
33	Chilton	$ 169.57
34	Jackson	$ 164.85
35	Barbour	$ 162.92
36	Lamar	$ 159.62
37	Shelby	$ 151.98
38	Crenshaw	$ 147.81
39	Clay	$ 147.73
40	Monroe	$ 147.61
41	Cherokee	$ 145.83
42	Limestone	$ 145.63
43	Bullock	$ 143.82
44	Bibb	$ 142.81
45	Marengo	$ 140.40
46	Blount	$ 132.73
47	Talledega	$ 129.50
48	Pickens	$ 129.03
49	Elmore	$ 126.83
50	Perry	$ 126.56
51	Sumter	$ 126.44
52	Saint Clair	$ 120.73
53	Choctaw	$ 120.70
54	Chambers	$ 118.47
55	Cleburne	$ 114.39
56	Russell	$ 114.31
57	Macon	$ 110.14
58	Wilcox	$ 109.29
59	Dale	$ 108.26
60	Lawrence	$ 102.06
61	Conecuh	$ 99.10
62	Autauga	$ 97.08
63	Greene	$ 89.24
64	Coosa	$ 84.31
65	Hale	$ 80.23
66	Lowndes	$ 70.84
67	Washington	$ 69.10

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation. (Montgomery, Alabama: Alabama Educationl Study Commission, 1976)

TABLE 22
TOTAL ASSESSED VALUE OF PROPERTY
(PER STUDENT)
(BY COUNTY)

RANK	COUNTY	VALUE
1	Greene	$ 9,874
2	Shelby	$ 9,832
3	Washington	$ 8,994
4	Jefferson	$ 8,509
5	Choctaw	$ 8,389
6	Colbert	$ 7,764
7	Coosa	$ 7,649
8	Mobile	$ 7,645
9	Tuscaloosa	$ 7,555
10	Walker	$ 7,219
11	Montgomery	$ 7,073
12	Sumter	$ 6,874
13	Morgan	$ 6,776
14	Etowah	$ 6,770
15	Chilton	$ 6,295
16	Marengo	$ 6,264
17	Pike	$ 6,255
18	Saint Clair	$ 6,182
19	Elmore	$ 6,167
20	Lee	$ 6,022
21	Baldwin	$ 5,963
22	Covington	$ 5,833
23	Tallapoosa	$ 5,793
24	Dallas	$ 5,761
25	Escambia	$ 5,734
26	Cleburne	$ 5,634
27	Chambers	$ 5,625
28	Henry	$ 5,614
29	Houston	$ 5,547
30	Talledega	$ 5,300
31	Fayette	$ 5,220
32	Cherokee	$ 5,179
33	Madison	$ 5,090
34	Calhoun	$ 5,057
35	Randolph	$ 5,057
36	Autauga	$ 5,046
37	Franklin	$ 5,034
38	Bibb	$ 5,028
39	Butler	$ 5,011
40	Perry	$ 4,993
41	Marion	$ 4,928
42	Lamar	$ 4,905
43	Monroe	$ 4,870
44	Clarke	$ 4,766
45	Blount	$ 4,708
46	Lauderdale	$ 4,686
47	Pickens	$ 4,580
48	Jackson	$ 4,571
49	Marshall	$ 4,531
50	Conecuh	$ 4,492
51	Dale	$ 4,483
52	Cullman	$ 4,411
53	Bullock	$ 4,410
54	Crenshaw	$ 4,356
55	Barbour	$ 4,341
56	Winston	$ 4,330
57	Coffee	$ 4,185
58	Russell	$ 4,093
59	Geneva	$ 3,950
60	Wilcox	$ 3,764
61	Macon	$ 3,686
62	Limestone	$ 3,671
63	Clay	$ 3,664
64	Hale	$ 3,468
65	Lawrence	$ 3,413
66	Lowndes	$ 3,019
67	Dekalb	$ 3,009

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation. (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 23
VALUE OF PRIVATE AUTO LICENSES ($13.75 PER TAG) (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Covington	$ 42.33
2	Marshall	$ 41.38
3	Etowah	$ 35.95
4	Dekalb	$ 35.31
5	Houston	$ 33.49
6	Clay	$ 32.83
7	Jefferson	$ 32.79
8	Saint Clair	$ 32.44
9	Chambers	$ 32.36
10	Cherokee	$ 32.25
11	Cullman	$ 32.19
12	Montgomery	$ 31.81
13	Walker	$ 31.62
14	Calhoun	$ 31.37
15	Coffee	$ 31.05
16	Lauderdale	$ 30.78
17	Colbert	$ 30.74
18	Mobile	$ 30.43
19	Shelby	$ 30.38
20	Cleburne	$ 30.30
21	Henry	$ 30.23
22	Lee	$ 30.11
23	Randolph	$ 29.99
24	Pike	$ 29.88
25	Baldwin	$ 29.75
26	Tuscaloosa	$ 29.60
27	Franklin	$ 29.54
28	Madison	$ 29.48
29	Blount	$ 29.45
30	Geneva	$ 29.38
31	Tallapoosa	$ 29.26
32	Morgan	$ 29.15
33	Butler	$ 29.08
34	Elmore	$ 28.96
35	Russell	$ 28.32
36	Limestone	$ 28.14
37	Jackson	$ 27.96
38	Marion	$ 27.92
39	Dale	$ 27.88
40	Winston	$ 27.47
41	Chilton	$ 27.20
42	Crenshaw	$ 26.94
43	Lamar	$ 26.79
44	Escambia	$ 25.97
45	Bibb	$ 25.24
46	Barbour	$ 25.21
47	Choctaw	$ 25.02
48	Talledega	$ 24.22
49	Fayette	$ 24.15
50	Clarke	$ 24.05
51	Coosa	$ 23.92
52	Autauga	$ 23.77
53	Pickens	$ 22.93
54	Lawrence	$ 22.14
55	Washington	$ 21.98
56	Conecuh	$ 21.96
57	Dallas	$ 21.94
58	Macon	$ 21.65
59	Monroe	$ 20.08
60	Sumter	$ 18.78
61	Bullock	$ 18.40
62	Perry	$ 17.89
63	Greene	$ 16.95
64	Marengo	$ 16.74
65	Hale	$ 15.29
66	Wilcox	$ 14.70
67	Lowndes	$ 13.74

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 24
ASSESSED VALUE OF PUBLIC UTILITY PROPERTY (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Greene	$ 6,781
2	Shelby	$ 5,359
3	Walker	$ 4,217
4	Elmore	$ 3,230
5	Coosa	$ 3,195
6	Chilton	$ 2,693
7	Cleburne	$ 2,645
8	Saint Clair	$ 2,504
9	Cherokee	$ 2,499
10	Sumter	$ 2,361
11	Randolph	$ 2,287
12	Marengo	$ 2,102
13	Houston	$ 1,926
14	Choctaw	$ 1,860
15	Bibb	$ 1,831
16	Hale	$ 1,627
17	Perry	$ 1,577
18	Mobile	$ 1,515
19	Fayette	$ 1,318
20	Tallapoosa	$ 1,313
21	Escambia	$ 1,278
22	Talledega	$ 1,224
23	Washington	$ 1,209
24	Pickens	$ 1,209
25	Tuscaloosa	$ 1,202
26	Marion	$ 1,200
27	Colbert	$ 1,146
28	Dallas	$ 1,144
29	Autauga	$ 1,127
30	Lamar	$ 1,123
31	Lee	$ 1,078
32	Calhoun	$ 1,073
33	Jefferson	$ 1,058
34	Etowah	$ 1,034
35	Franklin	$ 987
36	Wilcox	$ 982
37	Butler	$ 966
38	Winston	$ 938
39	Bullock	$ 927
40	Henry	$ 889
41	Covington	$ 877
42	Montgomery	$ 866
43	Clay	$ 790
44	Clarke	$ 780
45	Pike	$ 776
46	Conecuh	$ 760
47	Blount	$ 752
48	Dale	$ 733
49	Baldwin	$ 724
50	Monroe	$ 719
51	Barbour	$ 713
52	Geneva	$ 684
53	Macon	$ 675
54	Jackson	$ 629
55	Russell	$ 562
56	Crenshaw	$ 533
57	Chambers	$ 531
58	Dekalb	$ 529
59	Lowndes	$ 528
60	Coffee	$ 521
61	Cullman	$ 495
62	Lauderdale	$ 475
63	Limestone	$ 432
64	Morgan	$ 432
65	Lawrence	$ 430
66	Madison	$ 358
67	Marshall	$ 334

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 25
STATE PERSONAL INCOME TAX (PER STUDENT) (BY COUNTY)

RANK	COUNTY	
1	Madison	$ 192.02
2	Jefferson	$ 177.21
3	Montgomery	$ 156.28
4	Tuscaloosa	$ 134.03
5	Lauderdale	$ 131.89
6	Morgan	$ 131.62
7	Mobile	$ 127.28
8	Houston	$ 126.56
9	Lee	$ 117.50
10	Colbert	$ 115.70
11	Etowah	$ 114.72
12	Calhoun	$ 109.64
13	Clarke	$ 108.88
14	Marshall	$ 107.35
15	Baldwin	$ 104.71
16	Walker	$ 104.66
17	Tallapoosa	$ 100.70
18	Winston	$ 98.65
19	Shelby	$ 95.69
20	Limestone	$ 94.85
21	Elmore	$ 93.84
22	Escambia	$ 93.79
23	Covington	$ 93.52
24	Henry	$ 93.07
25	Chambers	$ 92.10
26	Talledega	$ 91.48
27	Pike	$ 90.00
28	Dallas	$ 86.76
29	Butler	$ 84.90
30	Fayette	$ 83.92
31	Barbour	$ 83.47
32	Coffee	$ 81.77
33	Jackson	$ 81.67
34	Dale	$ 78.73
35	Geneva	$ 78.40
36	Macon	$ 78.05
37	Autauga	$ 74.78
38	Blount	$ 72.80
39	Cullman	$ 72.64
40	Chilton	$ 72.32
41	Marengo	$ 70.65
42	Franklin	$ 69.97
43	Choctaw	$ 69.84
44	Saint Clair	$ 69.72
45	Clay	$ 67.30
46	Bibb	$ 66.81
47	Monroe	$ 66.74
48	Coosa	$ 65.10
49	Bullock	$ 63.84
50	Pickens	$ 61.02
51	Randolph	$ 60.95
52	Crenshaw	$ 60.94
53	Cleburne	$ 60.23
54	Marion	$ 59.36
55	Lawrence	$ 57.93
56	Dekalb	$ 55.09
57	Sumter	$ 54.83
58	Cherokee	$ 51.41
59	Lamar	$ 49.99
60	Washington	$ 49.39
61	Wilcox	$49.31
62	Conecuh	$ 49.27
63	Russell	$ 47.83
64	Perry	$ 45.80
65	Greene	$ 44.97
66	Hale	$ 41.22
67	Lowndes	$ 34.12

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 26
VALUE ADDED BY MANUFACTURING (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Colbert	$ 11,904
2	Etowah	$ 10,806
3	Morgan	$ 10,302
4	Washington	$ 9,971
5	Marion	$ 9,803
6	Tallapoosa	$ 7,647
7	Choctaw	$ 6,502
8	Monroe	$ 6,209
9	Jefferson	$ 6,110
10	Chambers	$ 5,817
11	Talledega	$ 5,077
12	Lee	$ 5,010
13	Escambia	$ 4,992
14	Marengo	$ 4,991
15	Clarke	$ 4,414
16	Madison	$ 4,409
17	Tuscaloosa	$ 4,324
18	Calhoun	$ 4,166
19	Fayette	$ 4,064
20	Covington	$ 4,055
21	Mobile	$ 4,053
22	Winston	$ 3,913
23	Cleburne	$ 3,371
24	Shelby	$ 3,129
25	Butler	$ 3,096
26	Dallas	$ 3,026
27	Randolph	$ 3,023
28	Pickens	$ 3,012
29	Geneva	$ 2,996
30	Coffee	$ 2,681
31	Marshall	$ 2,595
32	Houston	$ 2,582
33	Clay	$ 2,462
34	Russell	$ 2,282
35	Jackson	$ 2,255
36	Franklin	$ 2,177
37	Cullman	$ 2,146
38	Autauga	$ 2,136
39	Montgomery	$ 2,095
40	Henry	$ 2,072
41	Barbour	$ 2,046
42	Lamar	$ 1,961
43	Coosa	$ 1,961
44	Bibb	$ 1,811
45	Conecuh	$ 1,802
46	Pike	$ 1,771
47	Dekalb	$ 1,666
48	Walker	$ 1,620
49	Blount	$ 1,554
50	Baldwin	$ 1,544
51	Bullock	$ 1,465
52	Lauderdale	$ 1,459
53	Dale	$ 1,432
54	Lowndes	$ 1,421
55	Greene	$ 1,418
56	Saint Clair	$ 1,400
57	Perry	$ 1,355
58	Sumter	$ 1,327
59	Cherokee	$ 1,285
60	Crenshaw	$ 1,246
61	Elmore	$ 904
62	Wilcox	$ 901
63	Hale	$ 776
64	Chilton	$ 586
65	Macon	$ 418
66	Lawrence	$ 417
67	Limestone	$ 417

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery Alabama: Alabama Educational Study Commission, 1976).

TABLE 27
VALUE OF FARM PRODUCTS (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Cullman	$ 6,408
2	Dekalb	$ 3,779
3	Henry	$ 3,141
4	Crenshaw	$ 2,948
5	Blount	$ 2,914
6	Winston	$ 2,526
7	Cleburne	$ 2,516
8	Perry	$ 2,333
9	Bullock	$ 2,328
10	Lawrence	$ 2,323
11	Lowndes	$ 2,302
12	Randolph	$ 2,095
13	Geneva	$ 2,092
14	Cherokee	$ 2,050
15	Clay	$ 1,990
16	Pike	$ 1,791
17	Franklin	$ 1,789
18	Marshall	$ 1,784
19	Hale	$ 1,781
20	Butler	$ 1,760
21	Barbour	$ 1,690
22	Pickens	$ 1,409
23	Jackson	$ 1,392
24	Greene	$ 1,374
25	Baldwin	$ 1,359
26	Covington	$ 1,335
27	Limestone	$ 1,229
28	Conecuh	$ 1,210
29	Coffee	$ 1,206
30	Wilcox	$ 1,188
31	Macon	$ 1,182
32	Sumter	$ 1,182
33	Monroe	$ 1,161
34	Shelby	$ 1,102
35	Houston	$ 1,061
36	Marengo	$ 978
37	Fayette	$ 973
38	Elmore	$ 916
39	Walker	$ 881
40	Lamar	$ 874
41	Escambia	$ 869
42	Saint Clair	$ 855
43	Washington	$ 853
44	Marion	$ 851
45	Morgan	$ 851
46	Coosa	$ 825
47	Autauga	$ 824
48	Chilton	$ 814
49	Dale	$ 750
50	Dallas	$ 641
51	Colbert	$ 591
52	Choctaw	$ 582
53	Chambers	$ 551
54	Bibb	$ 502
55	Lauderdale	$ 500
56	Etowah	$ 494
57	Tallapoosa	$ 450
58	Lee	$ 402
59	Talledega	$ 380
60	Montgomery	$ 359
61	Madison	$ 313
62	Russell	$ 310
63	Calhoun	$ 300
64	Clarke	$ 297
65	Tuscaloosa	$ 192
66	Mobile	$ 170
67	Jefferson	$ 50

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 28
ESTIMATED PERSONAL INCOME (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Jefferson	$ 22,599
2	Montgory	$ 21,224
3	Dale	$ 19,071
4	Houston	$ 18,987
5	Tuscaloosa	$ 18,617
6	Lee	$ 18,309
7	Calhoun	$ 17,908
8	Mobile	$ 17,861
9	Etowah	$ 17,813
10	Chambers	$ 17,452
11	Madison	$ 17,230
12	Morgan	$ 16,527
13	Baldwin	$ 16,315
14	Pike	$ 16,249
15	Fayette	$ 16,196
16	Henry	$ 16,033
17	Geneva	$ 16,012
18	Colbert	$ 15,891
19	Shelby	$ 15,735
20	Lauderdale	$ 15,714
21	Covington	$ 15,549
22	Tallapoosa	$ 15,382
23	Jackson	$ 15,112
24	Butler	$ 15,103
25	Walker	$ 15,085
26	Franklin	$ 14,703
27	Cleburne	$ 14,621
28	Elmore	$ 14,602
29	Escambia	$ 14,584
30	Randolph	$ 14,578
31	Marshall	$ 14,453
32	Macon	$ 14,394
33	Dekalb	$ 14,103
34	Barbour	$ 13,936
35	Dallas	$ 13,881
36	Chilton	$ 13,846
37	Russell	$ 13,808
38	Cherokee	$ 13,765
39	Bullock	$ 13,706
40	Cullman	$ 13,702
41	Talledega	$ 13,673
42	Saint Clai	$ 13,647
43	Autauga	$ 13,620
44	Marion	$ 13,589
45	Crenshaw	$ 13,401
46	Coffee	$ 13,363
47	Limestone	$ 13,350
48	Blount	$ 13,303
49	Winston	$ 12,966
50	Bibb	$ 12,619
51	Clarke	$ 12,387
52	Coosa	$ 12,353
53	Lamar	$ 12,345
54	Clay	$ 12,311
55	Conecuh	$ 12,275
56	Monroe	$ 12,084
57	Pickens	$ 11,757
58	Lawrence	$ 11,672
59	Sumter	$ 11,542
60	Perry	$ 11,003
61	Choctaw	$ 10,971
62	Wilcox	$ 10,313
63	Marengo	$ 9,967
64	Washington	$ 9,583
65	Lowndes	$ 8,789
66	Greene	$ 8,786
67	Hale	$ 8,732

Source: Center for Business and Economic Research, *Economic Abstract of Alabama 1975* (University, Alabama: Graduate School of Business, December 1975), p. 48.

TABLE 29
TOTAL RETAIL SALES (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Montgomery	$ 22,634
2	Jefferson	$ 18,017
3	Houston	$ 17,204
4	Marshall	$ 13,894
5	Morgan	$ 12,708
6	Mobile	$ 11,723
7	Fayette	$ 11,269
8	Geneva	$ 10,465
9	Colbert	$ 10,069
10	Cullman	$ 9,975
11	Tuscaloosa	$ 9,814
12	Etowah	$ 9,775
13	Pike	$ 9,728
14	Covington	$ 9,688
15	Baldwin	$ 9,295
16	Winston	$ 9,282
17	Walker	$ 9,266
18	Escambia	$ 9,154
19	Monroe	$ 9,072
20	Lee	$ 9,068
21	Randolph	$ 8,614
22	Calhoun	$ 8,596
23	Clarke	$ 8,488
24	Dallas	$ 8,398
25	Jackson	$ 8,129
26	Franklin	$ 8,124
27	Henry	$ 7,990
28	Lauderdale	$ 7,881
29	Coffee	$ 7,805
30	Butler	$ 7,730
31	Tallapoosa	$ 7,619
32	Madison	$ 7,618
33	Shelby	$ 7,509
34	Dekalb	$ 7,343
35	Cherokee	$ 7,065
36	Limestone	$ 6,985
37	Marion	$ 6,952
38	Crenshaw	$ 6,850
39	Blount	$ 6,588
40	Chilton	$ 6,562
41	Marengo	$ 6,157
42	Lamar	$ 6,047
43	Barbour	$ 6,033
44	Clay	$ 5,879
45	Autauga	$ 5,854
46	Conecuh	$ 5,812
47	Pickens	$ 5,795
48	Saint Clair	$ 5,540
49	Talledega	$ 5,511
50	Elmore	$ 5,402
51	Bullock	$ 5,397
52	Perry	$ 5,385
53	Chambers	$ 5,320
54	Bibb	$ 5,246
55	Sumter	$ 5,224
56	Cleburne	$ 4,775
57	Russell	$ 4,755
58	Dale	$ 4,702
59	Choctaw	$ 4,677
60	Lawrence	$ 4,526
61	Macon	$ 4,480
62	Wilcox	$ 4,311
63	Coosa	$ 3,800
64	Greene	$ 3,735
65	Hale	$ 3,277
66	Lowndes	$ 3,046
67	Washington	$ 2,887

Source: Center for Business and Economic Research, *Economic Abstract of Alabama 1975* (Univerisyt, Alabama: Graduate School of Business, December 1975), p. 67-100.

TABLE 30
ASSESSED VALUE OF REAL PROPERTY (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Jefferson	$ 4,995
2	Montgomery	$ 4,295
3	Etowah	$ 4,106
4	Tuscaloosa	$ 4,038
5	Baldwin	$ 3,743
6	Mobile	$ 3,701
7	Pike	$ 3,497
8	Colbert	$ 3,453
9	Lee	$ 3,442
10	Morgan	$ 3,409
11	Madison	$ 3,330
12	Chambers	$ 3,315
13	Dallas	$ 3,246
14	Sumter	$ 3,210
15	Lauderdale	$ 3,054
16	Henry	$ 3,026
17	Covington	$ 2,941
18	Monroe	$ 2,909
19	Marshall	$ 2,846
20	Washington	$ 2,833
21	Dale	$ 2,828
22	Autauga	$ 2,824
23	Franklin	$ 2,788
24	Marengo	$ 2,786
25	Butler	$ 2,769
26	Crenshaw	$ 2,743
27	Choctaw	$ 2,709
28	Clarke	$ 2,695
29	Blount	$ 2,612
30	Russell	$ 2,600
31	Conecuh	$ 2,594
32	Perry	$ 2,569
33	Cullman	$ 2,548
34	Shelby	$ 2,488
35	Chilton	$ 2,459
36	Fayette	$ 2,433
37	Coffee	$ 2,430
38	Calhoun	$ 2,427
39	Lamar	$ 2,420
40	Coosa	$ 2,404
41	Bullock	$ 2,381
42	Escambia	$ 2,315
43	Jackson	$ 2,296
44	Barbour	$ 2,267
45	Tallapoosa	$ 2,256
46	Geneva	$ 2,254
47	Greene	$ 2,237
48	Saint Clair	$ 2,235
49	Elmore	$ 2,235
50	Limestone	$ 2,225
51	Pickens	$ 2,185
52	Macon	$ 2,182
53	Houston	$ 2,156
54	Lawrence	$ 2,123
55	Winston	$ 2,033
56	Marion	$ 1,898
57	Talledega	$ 1,890
58	Wilcox	$ 1,835
59	Lowndes	$ 1,788
60	Bibb	$ 1,731
61	Cherokee	$ 1,722
62	Dekalb	$ 1,698
63	Clay	$ 1,695
64	Cleburne	$ 1,655
65	Randolph	$ 1,637
66	Walker	$ 1,594
67	Hale	$ 1,326

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 31
ASSESSED VALUE OF PERSONAL PROPERTY (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Washington	$ 4,096
2	Choctaw	$ 3,200
3	Colbert	$ 2,456
4	Morgan	$ 2,286
5	Mobile	$ 1,703
6	Talledega	$ 1,612
7	Jefferson	$ 1,609
8	Tallapoosa	$ 1,558
9	Escambia	$ 1,444
10	Tuscaloosa	$ 1,398
11	Chambers	$ 1,328
12	Shelby	$ 1,311
13	Montgomery	$ 1,083
14	Covington	$ 966
15	Etowah	$ 943
16	Lee	$ 898
17	Marion	$ 860
18	Jackson	$ 848
19	Pike	$ 834
20	Dallas	$ 807
21	Calhoun	$ 798
22	Marshall	$ 767
23	Madison	$ 765
24	Marengo	$ 744
25	Henry	$ 730
26	Houston	$ 727
27	Fayette	$ 681
28	Winston	$ 681
29	Monroe	$ 647
30	Barbour	$ 630
31	Baldwin	$ 626
32	Randolph	$ 619
33	Walker	$ 614
34	Coffee	$ 604
35	Saint Clair	$ 603
36	Cleburne	$ 581
37	Cullman	$ 559
38	Clay	$ 554
39	Butler	$ 552
40	Bullock	$ 528
41	Lamar	$ 515
42	Coosa	$ 498
43	Pickens	$ 492
44	Franklin	$ 488
45	Clarke	$ 487
46	Lauderdale	$ 482
47	Bibb	$ 469
48	Limestone	$ 455
49	Sumter	$ 437
50	Perry	$ 413
51	Conecuh	$ 392
52	Crenshaw	$ 388
53	Russell	$ 382
54	Cherokee	$ 382
55	Geneva	$ 381
56	Wilcox	$ 379
57	Autauga	$ 376
58	Blount	350
59	Greene	$ 347
60	Lowndes	$ 346
61	Dekalb	$ 345
62	Chilton	$ 291
63	Dale	$ 288
64	Macon	$ 272
65	Lawrence	$ 186
66	Elmore	$ 178
67	Hale	$ 152

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation, (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 32
ASSESSED VALUE OF MOTOR VEHICLES (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Coosa	1,552
2	Pike	$ 1,148
3	Covington	$ 1,048
4	Bibb	$ 997
5	Blount	$ 995
6	Marion	$ 970
7	Henry	$ 959
8	Tuscaloosa	$ 917
9	Baldwin	$ 870
10	Sumter	$ 867
11	Washington	$ 857
12	Chilton	$ 851
13	Jefferson	$ 846
14	Lamar	$ 846
15	Saint Clair	$ 840
16	Montgomery	$ 829
17	Cullman	$ 809
18	Clarke	$ 805
19	Jackson	$ 798
20	Walker	$ 794
21	Fayette	$ 788
22	Franklin	$ 770
23	Calhoun	$ 759
24	Cleburne	$ 754
25	Conecuh	$ 746
26	Houston	$ 738
27	Barbour	$ 731
28	Mobile	$ 726
29	Butler	$ 723
30	Autauga	$ 720
31	Colbert	$ 709
32	Escambia	$ 697
33	Pickens	$ 694
34	Crenshaw	$ 692
35	Etowah	$ 687
36	Winston	$ 678
37	Lauderdale	$ 675
38	Lawrence	$ 674
39	Shelby	$ 674
40	Tallapoosa	$ 665
41	Morgan	$ 649
42	Madison	$ 637
43	Dale	$ 633
44	Marengo	$ 632
45	Geneva	$ 631
46	Coffee	$ 630
47	Clay	$ 626
48	Choctaw	$ 620
49	Lee	$ 603
50	Monroe	$ 595
51	Marshall	$ 584
52	Cherokee	$ 577
53	Bullock	$ 575
54	Talledega	$ 574
55	Wilcox	$ 569
56	Dallas	$ 564
57	Limestone	$ 558
58	Macon	$ 557
59	Russell	$ 549
60	Elmore	$ 523
61	Randolph	$ 513
62	Greene	$ 509
63	Chambers	$ 451
64	Dekalb	$ 437
65	Perry	$ 434
66	Hale	$ 363
67	Lowndes	$ 357

Source: Alabama State Department of Education, 1972-73 Alabama Minimum Program Calculation (Montgomery, Alabama: Alabama Educational Study Commission, 1976).

TABLE 33
TOTAL EDUCATIONAL REVENUE RECEIPTS (PER STUDENT) (BY COUNTY)

RANK	COUNTY	VALUE
1	Greene	$ 786.29
2	Winston	$ 711.78
3	Henry	$ 622.80
4	Bullock	$ 621.80
5	Franklin	$ 613.20
6	Sumter	$ 609.61
7	Colbert	$ 606.13
8	Covington	$ 604.33
9	Pike	$ 600.91
10	Jackson	$ 586.30
11	Morgan	$ 585.74
12	Butler	$ 585.70
13	Randolph	$ 584.84
14	Barbour	$ 583.84
15	Tuscaloosa	$ 577.81
16	Monroe	$ 576.71
17	Lauderdale	$ 575.37
18	Jefferson	$ 573.18
19	Hale	$ 571.26
20	Limestone	$ 567.81
21	Wilcox	$ 565.28
22	Marion	$ 564.60
23	Fayette	$ 563.08
24	Madison	$ 560.95
25	Dale	$ 560.57
26	Crenshaw	$ 560.22
27	Marengo	$ 555.61
28	Choctaw	$ 553.54
29	Conecuh	$ 552.36
30	Calhoun	$ 551.95
31	Macon	$ 551.77
32	Lee	$ 550.15
33	Cullman	$ 548.62
34	Chilton	$ 547.38
35	Cherokee	$ 545.46
36	Dallas	$ 543.13
37	Escambia	$ 542.41
38	Lawrence	$ 537.39
39	Cleburne	$ 535.71
40	Perry	$ 534.24
41	Coosa	$ 533.33
42	Etowah	$ 530.44
43	Tallapoosa	$ 530.02
44	Lowndes	$ 528.59
45	Washington	$ 527.01
46	Coffee	$ 524.66
47	Talledega	$ 524.31
48	Russell	$ 523.43
49	Clarke	$ 521.40
50	Pickens	$ 521.10
51	Blount	$ 520.11
52	Clay	$ 519.05
53	Bibb	$ 518.17
54	Shelby	$ 510.11
55	Mobile	$ 505.93
56	Geneva	$ 494.41
57	Dekalb	$ 492.14
58	Walker	$ 491.92
59	Saint Clair	$ 489.90
60	Lamar	$ 476.44
61	Marshall	$ 476.22
62	Montgomery	$ 466.20
63	Houston	$ 465.18
64	Baldwin	$ 463.97
65	Chambers	$ 458.72
66	Elmore	$ 457.02
67	Autauga	$ 438.75

Source: Alabama State Board of Education, 1973 Annual Report of Statistical and Financial Data, edited by Alabama State Superintendent of Education (Montgomery, Alabama: Alabama State Department of Education, 1973) p. 118-119

TABLE 34
POPULATION (BY COUNTY)

COUNTY	NUMBER
Autauga	27,900
Baldwin	64,100
Barbour	23,700
Bibb	14,400
Blount	30,000
Bullock	11,600
Butler	21,500
Calhoun	105,000
Chambers	36,500
Cherokee	17,000
Chilton	26,900
Choctaw	17,100
Clarke	26,500
Clay	13,000
Cleburne	11,500
Coffee	35,200
Colbert	50,100
Conecuh	15,700
Coosa	11,300
Covington	34,900
Crenshaw	14,100
Cullman	57,000
Dale	43,500
Dallas	56,400
Dekalb	45,800
Elmore	36,700
Escambia	36,300
Etowah	94,800
Fayette	16,200
Franklin	25,700
Geneva	22,900
Greene	10,400
Hale	15,800
Henry	13,900
Houston	63,000
Jackson	42,700
Jefferson	646,500
Lamar	15,200
Lauderdale	71,700
Lawrence	27,800
Lee	63,500
Limestone	43,100
Lowndes	13,700
Macon	25,400
Madison	187,500
Marengo	23,500
Marion	26,200
Marshall	56,800
Mobile	325,100
Monroe	21,100
Montgomery	178,100
Morgan	81,400
Perry	14,200
Pickens	21,200
Pike	25,100
Randolph	18,600
Russell	45,800
Saint Clair	31,400
Shelby	44,000
Sumter	16,500
Talledega	65,400
Tallapoosa	34,800
Tuscaloosa	120,600
Walker	61,900
Washington	16,500
Wilcox	15,200
Winston	19,400
Total	*3,546,300*

TABLE 35
TOTAL SCHOOL ENROLLMENT
(BY COUNTY)

COUNTY	ENROLLMENT
Autauga	7,489
Baldwin	15,090
Barbour	5,475
Bibb	3,368
Blount	6,758
Bullock	2,663
Butler	4,264
Calhoun	23,331
Chambers	7,850
Cherokee	4,279
Chilton	6,139
Choctaw	3,637
Clarke	6,071
Clay	3,046
Cleburne	2,640
Coffee	9,661
Colbert	12,265
Conecuh	3,552
Coosa	2,550
Covington	7,891
Crenshaw	2,970
Cullman	12,582
Dale	9,145
Dallas	13,947
Dekalb	10,565
Elmore	8,184
Escambia	8,434
Etowah	20,693
Fayette	3,396
Franklin	5,788
Geneva	5,140
Greene	2,891
Hale	4,512
Henry	2,944
Houston	14,215
Jackson	9,979
Jefferson	139,572
Lamar	3,621
Lauderdale	16,794
Lawrence	6,957
Lee	12,655
Limestone	10,544
Lowndes	4,221
Macon	5,266
Madison	47,834
Marengo	6,752
Marion	6,233
Marshall	14,066
Mobile	69,068
Monroe	5,379
Montgomery	38,956
Morgan	19,997
Perry	3,690
Pickens	5,146
Pike	5,422
Randolph	4,102
Russell	10,559
Saint Clair	7,430
Shelby	9,876
Sumter	3,994
Talledega	16,309
Tallapoosa	7,964
Tuscaloosa	25,069
Walker	14,074
Washington	4,414
Wilcox	4,218
Winston	4,805
Total	*808,401*

APPENDIX "C"
Robinson v. Cahill

SUPREME COURT OF NEW JERSEY

A-104 September Term 1974

KENNETH ROBINSON, an infant, by his parent and guardian ad litem, ERNESTINE ROBINSON, et al.

Plaintiffs-Respondents,

v.

WILLIAM T. CAHILL, Governor of the State of New Jersey, et al.

Defendants-Appellants.

Argued March 18, 1975 — Decided May 23, 1975

On appeal from Superior Court, Law Division; on rehearing as to remedy.

Honorable Brendan T. Byrne, pro se, and Mr. Lewis B. Kaden, Special Counsel to the Governor, argued the cause for appellant Governor of the State of New Jersey. (Mr. Kaden, of counsel and on the brief; Mr. John J. Degnan, Ms. Judith Nallin, and Mr. Arthur Winkler, Assistant Counsel to the Governor, on the brief).

Mr. Stephen Skillman, Assistant Attorney General, argued the cause for appellants Treasurer of the State of New Jersey, Commissioner of Education of the State of New Jersey, New Jersey State Board of Education, and State of New Jersey (Mr. William F. Hyland, Attorney General of New Jersey, attorney; Mr. Skillman, of counsel and on the brief, Ms. Jane Sommer, Deputy Attorney General, on the brief).

Mr. David Goldberg argued the cause of appellants President of the Senate of the State of New Jersey and the Senate of the State of New Jersey. (Messrs. Warren, Goldberg, and Berman, attorneys).

Mr. Jack Borrus argued the cause for appellants Speaker of the General Assembly of the State of New Jersey and the General Assembly of the State of New Jersey (Messrs. Borrus, Goldin and Foley, attorneys; Mr. Borrus, of counsel and on the statement in lieu of brief; Mr. David M. Foley, on the statement in lieu of brief).

Mr. Harold J. Ruvoldt, Jr. argued the cause for respondents (Messrs. Ruvoldt and Ruvoldt, attorneys and Special Counsel to Mr. Dennis L. McGill, Corporation Counsel of the City of Jersey City, Mr. Frank H. Blatz, Jr., Corporation Counsel of the City of Plainfield, Mr. Joseph LaCava, Corporation Counsel of the City of Paterson, and Mr. Julius Fielo, Corporation Counsel of the City of East Orange).

Mr. Paul L. Tractenberg and Mr. David G. Lubell, of the New York bar, argued the cause for amici curiae Education Committee, Newark Chapter, National Association for the Advancement of Colored People and American Civil Liberties Union of New Jersey (Messrs. William J. Bender and Frank Askin, attorneys).

Mr. William J. Zaino argued the cause for amicus curiae New Jersey School Boards Association.

Mr. Cassel R. Rhulman, Jr. argued the cause for amicus curiae New Jersey Education Association (Messrs. Ruhlman and Butrym, attorneys).

Mr. Andrew T. Berry argued the cause on behalf of amici curiae Township of Livingston and the Boards of Education of the School Districts of Montclair, Berkeley Heights, Chatham Township, New Providence, Rumson, Sandyston-Walpack, Summit and Millburn, Avon-by-the-Sea, Belmar, Englewood, Mendham Township, and the City of Englewood and the Mayor of the Borough of Carlstadt (Messrs. McCarter and English, attorneys for amici curiae Township of Livingston and the Boards of Education of the School Districts of Montclair, Berkeley Heights, Chatham Township, New Providence, Rumson, Sandyston-Walpack, Summit and Millburn; Mr. Berry of counsel and on the brief; Mr. Peter F. Shebell, Jr. filed a brief on behalf of amici curiae Boards of Education of Avon-by-the-Sea and Belmar; Mr. Walter T. Wittman, attorney for amicus curiae Board of Education of City of Englewood; Mr. Arthur W. Lesemann, attorney for amicus curiae City of Englewood; Messrs. Mills, Doyle, Hock and Murphy filed a brief on behalf of amicus curiae Board of Education of Township of Mendham, Mr. Eugene F. Doyle, of counsel and on the brief; Mr. Paul S. Barbire filed a brief on behalf of amicus curiae Mayor of the Borough of Carlstadt).

Mr. Bruce LaCarrubba appeared on behalf of amicus curiae New Jersey State Office of Legal Services.

Mr. Martin L. Greenberg, Member of the Senate of the State of New Jersey filed a brief pro se and on behalf of Ms. Anne Martindell and Messrs. Alexander Menza, Joseph P. Merlino and John Russo, Members of the Senate of the State of New Jersey (Mr. Stephen N. Dratch, on the brief).

Mr. Anthony Scardino, Jr., Member of the Senate of the State of New Jersey, filed a statement in lieu of brief pro se.

Mr. Thomas H. Kean, Member of the Assembly of the State of New Jersey filed a statement in lieu of brief pro se and on behalf of Messrs. William J. Bate and James W. Bornheimer, Ms. Jane Burgio, Ms. Mary Keating Croce, Ms. Barbara A. Curran, Messrs. Walter E. Foran, Kenneth A. Gewertz, Francis J. Gorman, Robert P. Hollenbeck, Alan J. Karcher, Robert E. Littell, Carl A. Orechio, George J. Otlowski, Victor A. Rizzolo, Robert M. Ruane, C. Gus Rys, Clifford W. Snedeker, John A. Spizziri, A. Donald Stewart, Ms. Rosemarie Totaro and Messrs. Richard F. Visotcky and Karl Weidel, Members of the Assembly of the State of New Jersey.

Mr. George J. Otlowski, Member of the Assembly of the State of New Jersey, filed a statement in lieu of brief pro se.

Mr. Alan J. Karcher, Member of the Assembly of the State of New Jersey, filed a statement in lieu of brief pro se.

Mr. Herbert C. Klein, Member of the Assembly of the State of New Jersey, filed a brief pro se.

Mr. Robert B. Meyner submitted a brief on behalf of amicus curiae Morris School District (Messrs. Meyner, Landis and Verdon, attorneys; Mr. Jeffrey L. Reiner, on the brief).

Mr. Milton A. Buck, Corporation Counsel for the City of Newark, submitted a brief on behalf of amicus curiae City of Newark (Ms. Rosalind L. Pressler, Assistant Corporation Counsel, on the brief).

Mr. James D. Checki, Jr. submitted a brief on behalf of amicus curiae Board of Education of Township of Lyndhurst (Messrs. Checki and Politan, attorneys).

Mr. Robert T. Pickett submitted a brief on behalf of amicus curiae The Education Reform Project of The Greater Newark Urban Coalition (Messrs. Pickett and Jennings, attorneys; Messrs. David C. Long of the Illinois bar and Daniel M. Schemker of the Michigan bar on the brief).

Mr. Morton Feldman submitted a brief on behalf of amici curiae Pleasantville Taxpayers Association, Weymouth

Taxpayers Association, Association of Concerned Citizens of Vineland and Gilbert Cramer.

The opinion of the Court was delivered by HUGHES, C.J.

The Court has now come face to face with a constitutional exigency involving, on a level of plain, stark and unmistakable reality, the constitutional obligation of the Court to act. Having previously identified a profound violation of constitutional right, based upon default in a legislative obligation imposed by the organic law in the plainest of terms,[1] we have more than once stayed our hand, with appropriate respect for the province of other Branches of government. In final alternative, we must now proceed to enforce the constitutional right involved.

The compulsion upon the Court to act in the present state of affairs is evident:

> The people's constitutional reposition of power always carries with it a mandate for the full and responsible use of that power. When the organic law reposes legislative power in that branch, for instance, it is expected that such power will be used, lest it wither and leave the vacuum of a constitutional exigency, requiring another branch (however reluctantly) to exercise, or project the exercise of, that unused power for the necessary vindication of the constitutional rights of the people. *Robinson v. Cahill*, 62 N.J. 473 (1973), cert. den. sub nom. *Dickey v. Robinson*, 414 U.S. 976, 94 S.Ct. 292, 38 L.Ed. 2d 219; *Jackman v. Bodine*, 43 N.J. 453 (1954); *Asbury Park Press, Inc. v. Woolley*, 33 N.J. 1 (1960). [*American Trial Lawyers v. N.J. Supreme Ct.*, 66 N.J. 258, 263]

In *Robinson v. Cahill*, 62 N.J. 473 (1973), we held violative of the Education Clause of the Constitution the existing system of education provided public school children in this State. We construed the Constitution basically to command that the State afford "an equal educational opportunity for children" (Id. at 513), however the burden of doing so would be distributed and borne,[2] and we agreed with the determination of Judge Botter (118 N.J. Super. 223, 119 N.J. Super. 40 (Law Div. 1972)) that "the constitutional demand had not been met***" on the basis of gross "discrepancies in dollar input [expenditure] per pupil." 62 N.J. at 515. We so ruled because dollar input "was plainly relevant and because we [had] been shown no other viable criterion for measuring compliance with the constitutional mandate." Id. at 515-16.[3]

Thus we considered as the principal cause of the constitutional deficiency the substantial reliance (under our present system of financing education) upon local taxation, entailing as it does "discordant correlations between the educational needs of the school districts and their respective tax bases." Id. at 520.

Nevertheless, although we expressed doubt that the Constitution could be satisfied "by reliance upon local taxation" (Id. at 520), we did not foreclose that possibility. We indicated that the State could meet its obligation by financing education either on a statewide basis, with funds provided by the State, or, in whole or in part, by delegating the fiscal obligation to local taxation. Id. at 509-13. Should it choose the latter alternative, however, it would be incumbent upon the State, either legislatively or administratively "to define** the educational obligation and *** compel the local school districts to raise the money necessary to provide that [equal educational] opportunity." Id. at 519 (emphasis in the original). If local government fails in that endeavor "the State must itself meet its continuing obligation." Id. at 513. The State aid plan under the current statute, N.J.S.A. 18A:58-4 (L. 1970, c. 234, hereafter the 1970 Act), was found inadequate because "not demonstrably designed to guarantee that local effort plus the State aid will yield to all the pupils in the State that level of educational opportunity which the *** [Constitution] mandates." Id. at 519.

We concluded our opinion by ruling that relief would be prospective in nature, and we invited argument as to whether, pending legislative action, the judiciary could properly order redistribution of "minimum support" and "save-harmless" aid, infra, differently from the provisions of existing law, in furtherance of the constitutional imperative as the trial court had directed. Id. at 520-21; see 118 N.J. Super. at 280-81.

After hearing the parties and the amici (and pausing in deference to the doctrine of separation of powers in government), we decided that the statutory scheme would not be disturbed unless the Legislature failed by December 31, 1974, to enact legislation compatible with the Constitution and to be effective as of July 1, 1975. *Robinson v. Cahill*, 63 N.J. 196, 198 (1973). We withheld a ruling as to whether, if such legislation were not adopted, "the Court [might] order the distribution of appropriated moneys toward a constitutional objective notwithstanding the legislative directions." Id.

Despite considerable efforts by both the Executive and Legislative Branches, no legislation was adopted by December 31, 1974, nor has been to date, although such efforts, it is asserted, continue.

Numerous motions for intervention and for relief and directions by the Court were filed by various parties both before and after December 31, 1974. On January 23, 1975, we entered an order denying all motions for relief or directions and

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[1]"The Legislature shall provide for the maintenance and support of a thorough and efficient system of free public schools for the instruction of all school children in the state***." [N.J. Const. (1947), Art. VIII, § 1; see N.J. Const. (1844), Art. IV, § 7, ¶ 6, as amended, effective Sept. 28, 1875]

[2]"***[I]t cannot be said the 1875 amendments were intended to insure statewide equality among taxpayers. But we do not doubt that an equal educational opportunity for children was precisely in mind. The mandate that there be maintained and supported 'a thorough and efficient system of free public schools for the instruction of all the children in the State between the ages of five and eighteen years' can have no other import. Whether the State acts directly or imposes the role upon local government, the end product must be what the Constitution commands. A system of instruction in any district of the State which is not thorough and efficient falls short of the constitutional command. Whatever the reason for the violation, the obligation is the State's to rectify it. If local government fails, the State government must compel it to act, and if the local government cannot carry the burden, the State must itself meet its continuing obligation." [*Robinson v. Cahill*, supra at 513]

[3]While we recognized" that there is a significant connection between the sums expended and the quality of the educational opportunity" (62 N.J. at 481), the record of this case and the material furnished us in preparation for argument demonstrate that a multitude of other factors play a vital role in the educational result—to name a few, individual and group disadvantages, use of compensatory techniques for the disadvantaged and handicapped, variation in availability of qualified teachers in different areas, effectiveness in teaching methods and evaluation thereof, professionalism at every level of the system, meaningful curricula, exercise of authority and discipline, and adequacy of overall goals fixed at the policy level. Hence while funding is an undeniable pragmatic consideration, it is not the overriding answer to the educational problem, whatever the constitutional solution ultimately required.

Moreover, while we dealt with the constitutional problem in terms of dollar input per pupil, we recognized the legitimacy of permitting any school district wishing to do so to spend more on its educational program through local effort (local "leeway") provided such did not become "a device for diluting the State's mandated responsibility." [62 N.J. at 520]

making appropriate provision for hearing certain petitioners for intervention as amici curiae. We decided that in view of the time-exigency (and with continued deference to the separation of powers, we must note) the Court would not disturb the present statutory scheme for the school year 1975-1976 but would receive further briefs and hear argument on March 18, 1975, concerning appropriate remedial action by the Court in various suggested particulars in relation to the school year 1976-1977 and subsequent years, looking to a "final determination as to remedies" by the Court in sufficient time to apprise each district by October 1, 1975, what the "State aid situation will be as to it, so far as practicable, for the school year 1976-77."

We have received and carefully considered numerous briefs and exhibits and have heard extensive arguments. It is unnecessary for purposes of our present disposition of the matter to outline in any detail all the positions taken. They range from pleas by representatives of the General Assembly and the Senate that the Court continue to stay its hand, on the postulate that a solution of the constitutional problem is exclusively for the Legislature and will one day be achieved by it, to diverse proposals for the present adjudication by this Court of all the substantive components of a thorough and efficient education and the financing thereof. They include proposals (which are somewhat varied in nature) by plaintiffs and by the Governor of the State for redistribution of existing State aid for at least the school year 1976-1977 (in furtherance of the constitutional objective) pending legislative action. And they variously support or criticize guidelines proposed by the State Department of Education and recently published in 7 *New Jersey Register* 132 (April 1975), for the attainment by school districts of the goals of a thorough and efficient education.

Much of the material submitted by the parties and amici has been helpful to the Court, and was invited by the broad terms of the order of January 23, 1975. However, upon thorough deliberation on the matter, we have concluded that our present disposition should not extend beyond the delineation of a provisional remedy for the school year 1976-1977 should the other Branches of government fail to devise and enact a constitutional system of education in time for its effectuation for that school year.[4]

We do not now go further for several reasons. We continue to be hesitant in our intrusion into the legislative process, forced only so far as demonstrably required to meet the constitutional exigency. As well, it would be premature and inappropriate for the Court at the present posture of this complex matter to undertake, a priori, a comprehensive blueprint for "thorough and efficient" education, and seek to impose it upon the other Branches of government. Courts customarily forbear the specification of legislative detail, as distinguished from their obligation to judge the constitutionality thereof, until after promulgation by the appropriate authority. *Morrissey v. Brewer*, 408 U.S. 471, 92 S.Ct. 2593, 33 L.Ed. 2d 484 (1972). We have been as explicit as we reasonably could as to the nature of the constitutional deficiencies seen to exist in the present system. There is no responsible dissent from the view that implementation of the constitutional command is peculiarly a matter for the judgment of the Legislature and the expertise of the Executive Department. In other words, the Court's function is to appraise compliance with the Constitution, not to legislate an educational system, at least if that can in any way be avoided. We have measured and found wanting the existing scheme. No other is yet before use for adjudication.

Nor can we adjudicate on a piecemeal or hypothetical basis. The validity of the tentative guidelines recently published by the Department of Education cannot now be passed upon, inchoate and hortatory in nature as they are. They would have to be considered in context with such legislative provision as may be enacted for their fiscal implementation, unless the judgment of this Court is likewise to be only hortatory and futile in that sense.

Moreover, as already indicated, our opinion in *Robinson*, 62 N.J. supra, noted the board options open to the Legislature in discharging the constitutional requirement. Subject to the caveats there noted and here repeated, the selection of the means to be employed belongs to the other Branches of government, unimpeachable so long as compatible with the Constitution. See, *A. & B. Auto Stores of Jones St., Inc. v. Newark*, 59 N.J. 5 (1971); *Ind. Elec. Assoc. of N.J. v. N.J. Bd. of Exam.*, 54 N.J. 466 (1969); *Burton v. Sills*, 53 N.J. 86 (1968); *N.J. Chapt., Am. I.P. v. N.J. State Bd. of Prof. Planners*, 48 N.J. 581 (1967); *Two Guys from Harrison, Inc. v. Furman*, 32 N.J. 199 (1960).

We take this occasion to state our approval of the ongoing efforts of the Department of Education to establish the components of a thorough and efficient system of education by formulation of standards, goals and guidelines by which the school districts and the Department may in collaboration improve the quality of the educational opportunity offered all school children. We assume that these efforts will move forward through the administrative process to a finality, and that the State, through the Commissioner of Education, will see to the prompt implementation of the standards, so determined, in the field. We would further expect that any problem attendant upon undue burdens on particular districts, in conforming to such standards, will have legislative attention. But by these comments we intend no present implication that any method of financing for the purposes stated, which would leave the present system of defraying the expenses of education substantially unaltered, could fulfill the "thorough and efficient" constitutional norm.

What we have already said is not, of course, to imply that the provisional remedy for the year 1976-1977 we hereinafter order represents our concept of the full reach of our power, duty or responsibility in effectuating the promise of the Constitution to the school children of the State should the other Branches delay action beyond availability of a remedy in time for the school year 1977-1978. Nor does it at all imply compliance by itself with the constitutional standards. We reserve such questions for the appropriate occasion, which hopefully will not occur.

We thus turn to the question of an appropriate contingent or provisional remedy for at least the school year 1976-1977. We forthwith reject the submission that we should do nothing. It is past three years since the system was held unconstitutional in the Law Division. Our position that the court would act at least for 1976-1977 was implicit in the January 23, 1975, order. The need for immediate and affirmative judicial action at this juncture is apparent, when one considers the confrontation existing between legislative action, or inaction, and constitutional right. When there occurs such a legislative transgression of a "right guaranteed to a citizen, final decision

[4]We do not at this juncture assume such a timely plan will not be forthcoming. Progress in that direction has already been made by the Department of Education and effort continues in the Legislature. If implementing legislation for financing and the attendant administrative process is completed before October 1, 1975, but not in time to permit review thereof by the Court by that date, the Court will then, in the light of the nature of the entire plan submitted, consider whether it may be permitted to go into effect for 1976-1977, with or without terms, or be deferred to subsequent years if ultimately sustained by the Court.

as to the invalidity of such action must rest exclusively with the courts. It cannot be forgotten that ours is a government of laws and not of men, and that the judicial department has imposed upon it the solemn duty to interpret the laws in the last resort. However delicate that duty may be, we are not at liberty to surrender, or ignore, or to waive it." *Asbury Park Press, Inc. v. Woolley*, 33 N.J. 1, 12 (1960). We have mentioned inaction as well as action in importing constitutional violation, for as stated by Justice Proctor in *Cooper v. Nutley Sun Printing Co., Inc.*, 36 N.J. 189, 196 (1961) (adverting to the opinion of Chief Justice Marshall in *Marbury v. Madison*, 1 Cranch 137, 163, 2 L.Ed. 60, 69 (1803)):

> ***[J]ust as the Legislature cannot abridge constitutional rights by its enactments, it cannot curtail them through its silence. *** The Judicial obligation to protect the rights of individuals is as old as their country. [36 N.J. at 196, citations omitted]

If then, the right of children to a thorough and efficient system of education is a fundamental right guaranteed by the Constitution, as we have already determined, it follows that the court must "afford an appropriate remedy to redress a violation of those rights. To find otherwise would be to say that our Constitition embodies rights in a vacuum, existing only on paper." *Cooper v. Nutley Sun Printing Co., Inc.*, supra, at 197.

We have given serious consideration to the idea of enjoining all State aid under the present unconstitutional system. That recourse would simplify the weighty problem of judicial power, as there is a concession by all that the Court may, and ordinarily should, enjoin the administration of a patently unconstitutional plan. But we are convinced that so radical a curtailment of obviously essential State assistance to the school districts and its consequent harmful impact on vital educational programs, even if only for one provisional year, is not justified at this time in the light of all pertinent considerations.

The provisional remedy for the school year 1976-1977 we have decided upon follows, in principle if not in scope, the proposal for redistribution of State aid funds advocated before us by the Governor. The Governor's plan, presented as "the appropriate next step in this significant interchange between coordinate branches," would enjoin the present statutory distribution and distribute to the school districts more conformably to the constitutional norm the following categories of State aid funds:

1. Minimum support aid (N.J.S.A. 18A:58-5a) (1234,000,000 as of 1974-1975);
2. Save-harmless funds (N.J.S.A. 18A:58-18.1) ($7,600,000 as of 1974-1975);
3. Building aid, foundation program (N.J.S.A. 18A:58-23, 24) ($27,000,000 as of 1974-1975);
4. Atypical pupils aid (N.J.S.A. 18A:58-6) ($64,000,000 as of 1974-1975);
5. Transportation aid (N.J.S.A. 18A:58-7) ($46,000,000 as of 1974-1975);
6. Pension fund contributions by the State (N.J.S.A. 18A:66-1, et seq.) ($172,000,000 as of 1974-1975).

These items aggregate about $550,000,000 at the 1974-1975 level of appropriations. Under the proposed State budget for 1975-1976 those items would, for that year, total about $585,000,000. What they will amount to for 1976-1977 is not yet known. Minimum support aid provided in 1975-1976 $150 per resident weighted pupil in operating districts. Save-harmless aid assures every district no less aid for current expenses and building costs than it received in the school year 1972-1973. The titles of the other aid categories are self-explanatory. It is estimated that minimum support aid for 1976-1977 would approximate $165 per pupil.

The Governor proposes redistribution of all such funds in accordance with the incentive equalization aid formula of the relevant sections of the 1970 Act (N.J.S.A. 18A:58-5b, 6.3), the operation of which was described in our prior opinion, 62 N.J. at 517-18. Essentially, that formula fixes a "guaranteed" equalized assessed valuation per weighted pupil (currently $43,000), and if the school district's actual corresponding valuations per pupil multiplied by the number of pupils there resident is less than the guaranteed valuations per pupil multiplied by the same number, the district receives State aid to the extent of the difference, multiplied by the net operating school tax rate. If the actual valuations are more than the guaranteed valuations no formula aid is given.

The Governor's position (and to this extent plaintiffs agree) is that the six categories of State aid enumerated, as presently distributed, are not compatible with the *Robinson* criterion of equality of educational resources for the pupils, whereas the incentive equalization formula is. He therefore urges that the whole be redistributed solely on the basis of the latter formula. Rough calculations offered on his behalf prior to argument purported to indicate that if applied for the year 1975-1976, this would have lifted the guaranteed valuation rate per pupil from the then existing $43,000, to a figure ranging from $66,000 to $72,000, depending upon the amount of appropriations for that year. If applied for the year 1976-1977 the figure would be larger because of increasing budgets and equalized valuations.

We are in accord with the Governor and plaintiffs as to the effect of redistribution of minimum support and save-harmless aid in accordance with the 1970 incentive equalization aid formula in tending to subserve the goal of equality of educational opportunity. The two named items leave esisting arbitrary ratios of tax resources per pupil unaffected. The formula, on the other hand, in effect places all districts whose actual equalized valuations are below the guarantee-level on the same per-pupil basis in respect of supporting tax resources. The higher the guarantee-level the more districts come under the umbrella of such equality. Since reallocating minimum support and save-harmless funds to formula aid purposes does lift the guarantee-level, equality of supporting resources per-pupil is fostered in that way.

We think, however, that the merits of the attack upon the relevance of items 3, 4 and 5 mentioned above to permissible constitutional standards is not as manifest, if sustainable at all, as in the case of minimum support and save-harmless aid. As to pension contribution aid, while this shares the asserted and justified characterization of the last mentioned items, we conclude that redistribution thereof at this juncture would be inadvisable. We believe there would be substantial legal and administrative confusion as to where responsibility would lie for raising employers' pension contributions under existing legislation if the legislative appropriations for that purpose were enjoined, not to mention risks to the solvency of the Teachers' Pension and Annuity Fund. Teacher and pensioner morale is a pertinent factor for consideration.

It is our order, consequently, that for the school year 1976-1977, in the contingency aforestated, minimum support aid and save-harmless funds shall not be disbursed as provided under the existing statutes, but shall be distributed in accordance with the incentive equalization aid formula of the 1970 Act. It is estimated these funds will approximate $290,000,000. According to calculations furnished us by the Department of Education, this should result, for the year stated, in guaranteed equalized valuations per weighted pupil of about $67,000.

We are not insensitive to the earnest pleas of those municipalities which will be disadvantaged by the redistribution here ordered because they have actual equalized valuations per pupil exceeding the prospective guaranteed valuations, yet are burdened by school populations requiring more than average expenditures per pupil and perhaps some degree of extraordinary non-school burden (municipal overburden). The Department of Education has furnished us and the parties with a schedule of the respective gains and losses for 1976-1977 of the redistribution here ordered, and we have carefully weighed its effect. We have given consideration to a variety of possible adjustment factors, such as for municipal overburden, which might be applied to render this redistribution more theoretically equitable. Having regard to the urgent necessity of announcing our disposition at the earliest date possible, and the debatability, complexity and uncertainty in effect of any adjustment factor which might be so considered, we have foregone efforts at refinement of the approach selected.

Study of the figures discloses a broad range of correlation between the gaining districts and districts having higher than statewide average school and general tax rates (equalized); vice versa as to the losing districts. (Concededly, these correlations are not invariably uniform.) Similarly, the gaining districts are generally the more urban areas, particularly afflicted by municipal overburden, and the rural districts, obviously ratables-poor. The remedy we apply is only for one year, and however short of a perfect plan, is at least attainable and a positive step toward the end result of full constitutional compliance. In any case, it is to be kept constantly in mind that our order may be averted by timely and adequate legislative and administrative action.

In sum, the present disposition represents our best present judgment as to an appropriate provisional and interim accommodation of the interests of the other Branches in their right to try to achieve accomplishment of the mutually desired constitutional remedy, of the interests of the school districts in providing adequate education in the meantime for their pupils, and of the solemn duty of this Court to enforce the Constitution.

In opposition to such action by the Court as thus ordered, it has been urged upon us on behalf of the Senate that the "judicial power of the State does not encompass within it the power to redistribute funds appropriated by law even if in furtherance of a constitutional objective." This conclusion is erected upon the subordinate hypotheses (a) that under the literal terms of the Education Clause it is the Legislature and only the Legislature which has the power and right to provide for a system of thorough and efficient education; and (b) Art. VIII, § 2, ¶ 2 provides that "no money shall be drawn from the State Treasury but for appropriations made by law" and that "[a]ll moneys for the support of State Government and for all other State purposes as far as can be ascertained or reasonably foreseen, shall be provided for in one general appropriations law covering one and the same fiscal year***."

The first premise is unacceptable on its face. The people in 1875 ordained the Legislature to be their agent to effectuate an educational system but did not intend to tolerate an unconstitutional vacuum should the Legislature default in seeing to their specification that the system be thorough and efficient. See *Asbury Park Press, Inc. v. Woolley, supra.* We have adjudicated such a default. Under emerging modern concepts as to judicial responsibility to enforce constitutional right there has been no paucity of examples of affirmative judicial action toward such ends. *Jackman v. Bodine*, 43 N.J. 453 (1964); *Swann v. Charlotte-Mecklenburg Bd. of Educ.*, 402 U.S. 1, 91 S.Ct. 1267, 28 L.Ed. 2d 554 (1971); *Griffin v. School Bd. of Prince Edward County*, 377 U.S. 218, 233-34, 84 S.Ct. 1226, 12 L.Ed. 2d 256, 266-67 (1964); *Hawkins v. Shaw, Mississippi*, 437 F. 2d 1286 (5th Cir. 1971); *Kennedy Park Homes Ass'n v. Lackawanna, N.Y.*, 436 F. 2d 108 (2d Cir. 1970), cert. den. 401 U.S. 1010, 91 S.Ct. 1256, 28 L.Ed. 2d (1971); *Mills v. Bd. of Educ.*, 348 F. Supp. 866 (D.D.C. 1972).

In the *Mills* case, supra, the Court held that constitutional right, inter alia, dictated that handicapped children were entitled to publicly supported education and that if funds, appropriated by Congress for general education only, were insufficient to encompass the special need, there would have to be an equitable reallocation of the available funds toward that constitutional imperative. Thus, in order to enforce the Constitution, the judical branch of the federal government reallocated funds differently from the appropriation thereof by the co-equal legislative branch of the same sovereignty. 348 F. Supp. at 876. The principle announced is directly apposite here.

In the *Jackman* case, supra, notwithstanding that our Constitution, as construed, authorized the Legislature to initiate the machinery for constitutional reformation of the system of legislative representation, and it would ordinarily be patently improper for the Count to do so, the judicial power was nevertheless invoked in the circumstances there obtaining. Legislative systems of representation of the people like New Jersey's having been held by the federal courts in violation of equal protection, a new system was required to be devised. The Court said:

> The duty of comply with the equal protection clause rests upon the three branches of State Government and upon the people of the State as well. The question is what part must be played by each.
>
> We think it clear that the judiciary should not itself devise a plan except as a last resort***. [43 N.J. at 473]

The Court fixed time limits for effectuation by the Legislature of a temporary plan for a constitutional system of legislative representation to meet the exigency of imminent elections, and plainly implied it would itself adopt and enforce a plan if the Legislature did not do so in time. *Jackman v. Bodine*, 44 N.J. 312, at 316-17. See also *Asbury Park Press, Inc. v. Woolley, supra*, and particularly the concurring opinion of Justices Proctor and Schettino, 33 N.J. at 22, expressing a willingness to entertain an application for the court itself to order a reallocation of county representation in the General Assembly if the Legislature failed to do so, where population changes in the counties had made the existing allocation unconstitutional.

As to the Senate's reliance upon Art. VIII, § 2, ¶ 2, the argument assumes there is a clash with the Education Clause, and the contention is that the former provision controls. We doubt the premise. The order we are making as to use of a portion of the State aid moneys in 1976-1977 does not call for the expenditure of appropriations not made by law. The funds, ex hypothesi, will be appropriated by the Legislature. They will still be used for educational purposes, but in a manner we have concluded to be an essential and minimal interim step in the enforcement of the Education Clause. If there remains a theoretical conflict between the strictures of the Appropriations Clause and the mandate of the Education Clause, we hold the latter to be controlling in these circumstances.

The argument is recast in terms of the doctrine of separation of powers, purportedly precluding judicial direction for expenditure of State moneys, that being exclusively for the judgment of the other Branches. Cited are such decisions as *Willis v. Dep't of Cons. & Ec. Dev.*, 55 N.J. 534, 536 (1970) and

Fitzgerald v. Palmer, 47 N.J. 106, 108 (1966). These decisions essentially dealt with the extent of the judicial power to award or enforce money judgments or claims against the State or State agencies out of unappropriated moneys. They have limited pertinence here. The interest here at stake transcends that of an ordinary individual claimant against the State. It is that of all the school children of the State, guaranteed by the constitutional voice of the sovereign people equality of educational opportunity.

This Court, as the designated last-resort guarantor of the Constitution's command, possesses and must use power equal to its responsibility. Sometimes, unavoidably incident thereto and in response to a constitutional mandate, the Court must act, even in a sense seem to encroach, in areas otherwise reserved to other Branches of government. *Powell v. McCormack*, 395 U.S. 486, 89 S.Ct. 1944, 23 L.Ed. 2d 491 (1969). And while the court does so, when it must, with restraint and even reluctance, there comes a time when no alternative remains. That time has now arrived.

So clearly does our constitutional duty bespeak the present obligation of affirmative judicial action, that we have no doubt that the order we now make is constitutionally minimal, necessary and proper.

The State Treasurer, the State Commissioner of Education and any other State officers concerned with the receipt or disbursement of moneys to be appropriated by the Legislature for local educational purposes for the school year 1976-1977 are hereby enjoined from disbursing minimum support and save-harmless funds designated by this opinion in accordance with existing law, and are directed to distribute and disburse said funds in accordance with the incentive equalization aid formula of N.J.S.A. 18A:58-5b, 6.3. These directions of course are subject to the contingency set forth in this opinion, namely the possible eventuation of timely and constitutionally appropriate legislative action.

So ordered; supplemental directions or relief may be applied for on notice. We retain jurisdiction.

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